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THE EDMONTON CITY MARKET STUDY

THE CITY OF Edmonton REAL ESTATE AND HOUSING

PREPARED BY:
HLA CONSULTANTS

3 1221 01270 4792

THE EDMONTON CITY MARKET STUDY

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SUMMARY

S.1 INTRODUCTION

The main objective of this study is to determine the function and operation of a viable market in Edmonton. The study establishes the functions and characteristics of a viable market and yields the definition of a market program.

Physical criteria both in terms of the type and size of the building and the interior decore are presented. A financial analysis of the redeveloped market is provided along with varying assumptions on the treatment of land values and capital costs. A concluding implementation section suggests alternative means of funding the redeveloped market.

The existence of a farmers' market in Edmonton goes back to the year 1900. The market has been located in its present facility since 1965. It has been operating with a continuously increasing deficit since 1964.

The market building, located at 97th Street and 102nd Avenue, is on a very valuable piece of land. As it currently exists and operates, the market does not make intensive use of the land. The building that houses the market is not conducive to the operation of a good market.

Although alternative locations have been suggested for the market, the present location with a new building is preferred.

S.2 THE ROLE AND FUNCTION OF A CITY MARKET

A farmers' market provides an avenue for direct marketing. Prices can be lower because the middleman is eliminated. It provides a greater variety of goods, fresher products than would otherwise be available, direct interface between the producer and consumer and it provides the community with a character and atmosphere that can be an integral part of its make up.

As part of this study, to aid in establishing the role, function and program for the city market, several surveys were undertaken. They were a survey of patrons at the market, a survey of the general public in Edmonton, a survey of stallholders and a survey of businesses in the vicinity of the market. In addition to these many interviews were conducted with government officials from the city and the province and with operators of other markets in other cities.

Close to 70% of the people who use the market, do so on a regular basis. In response to a question on what they like about the market, they mention the browsing, the sights and sounds, the family outing, the overall experience, fresh produce and the atmosphere. The major dislikes mentioned are the inadequate parking, the crowdedness and the small size of the market.

Patrons to the farmers' market come from all over the city. The proportion of central district residents that frequent the market is larger than for other areas of the city.

The household survey indicates approximately 30% of households in Edmonton visited the farmers' market in the last year. Of those not using it, 85% indicated an interest in going. The main barriers to use were cited as not convenient, growing all they need, not buying much and transportation. According to the survey foods requiring more sales emphasis at the market are fruit, ethnic foods, out of season vegetables, home preserves and baking, in-season vegetables, meat and fish.

Often mentioned factors that would increase use of the market are better parking, advertising of the market, year-round operation and greater variety of food products. Those who don't use the market mention distance as being the main reason. The preferred alternative location is the southside in the Whyte Avenue area.

Stallholders at the market were interviewed. It was found that most sell their goods at the downtown market regularly. The two main seasons are the spring season for bedding plants, handicrafts, houseplants and the fall season where vegetables predominate sales. Other products are sold to a limited extent off-season. Most of the goods sold are produced in family operations.

Stallholders rated the facilities at the downtown farmers' market as poor. Loading facilities obtained a very poor rating. Other facilities not meeting their needs were parking, restrictions on the use of stalls and floors and problems with platforms on which vendors stand. They felt it was important to provide more parking, advertise the market, have year-round operation and have restaurants in the market. Most of the stallholders prefer the present downtown location.

A survey of 38 businesses in the immediate vicinity of the market was undertaken to determine the impact of the market on nearby businesses. Seventy six percent of respondents said the farmers' market was important to the local business community and 61% felt the market had positive benefits for their business in that it increased shopping traffic. Ninety two percent felt the market did not compete with their business. About 73% of stallholders and 47% of market patrons indicate they shop or eat in stores close to the market.

A comparative analysis of three other viable markets was undertaken. These are Kitchener, Vancouver and Seattle. All of these have very unique characteristics in terms of building design, goods for sale and operation. All of these markets are located downtown and are open longer hours than Edmonton. Kitchener is open two days a week while Seattle and Vancouver are open all week except Sunday. They offer a wide variety of goods including many non-food products. None of these markets were set up to be profit making, nor are they intended to be subsidized on an ongoing basis. They more or less operate on a break-even basis. Their capitalization structures vary from being privately owned and rented to the city to being totally funded by government grants and loans and administered by Canada Mortgage and Housing Corporation and a policy advisory board.

All of these markets emphasize the importance of advertising and promotion in attracting people. Extensive use of free promotional opportunities is made. A second important factor in drawing people is incorporation of a number of festivals and special celebrations.

Several significant conclusions are drawn in the case of the Edmonton market; the demand analysis clearly indicates the need for a farmers' market, the present facility is inadequate, the current market site is on land that should be more intensively utilized and a strongly preferred location for the market is downtown.

The combination of the above indicates that a new facility with a redeveloped city market program is required on the present site.

Survey information shows the demand in Edmonton is sufficiently strong for a viable week-long year-round market. If a market is to be viable in Edmonton, it must be a larger scale market selling a greater variety of produce and goods than is currently sold at the market. To ensure a year-round all-week operation, a larger proportion of the market should be allocated to permanent shops. Off-season produce should be imported and sold at the market.

The operating policy of the market should focus on the following areas;

i) Potential markets: these are households, business lunch hour trade and tourists.

ii) Social aspects: much shopping is done at the market with family and friends. A lot of visiting and social interaction occurs.

iii) Goods for sale: fresh local produce should be given priority in season and produce imported out of season. Handicrafts and variety items should be encouraged. Permanent shops should be allocated among the various types of foods. Fast-food/snack shops should provide a variety of eating experiences. Variety and quality is essential for a successful market.

iv) Hours of operation: the market should be open five days per week, Tuesday to Saturday throughout the year. Hours of operation should correspond to usual shopping hours.

v) Market ambience: the atmosphere should be unique. It should be one of organized clutter, relaxation and friendliness.

vi) Quality control of goods: for the three types of required shops, permanent, temporary stalls and fast-food/snack, appropriate vendors should be sought and screened.

vii) Location of seasonal markets: these are in relatively high demand during the spring and fall seasons. They are however, in direct competition with the downtown market. It would help if these were not encouraged until the new market is established and viable.

viii) Promotion: this should be done extensively, through direct media advertising, special events programming, a promotion awareness and education campaign, promotional materials and links with other agencies such as the Visitor's Bureau.

ix) Market management: well qualified managers should operate the market as a business rather than a city owned service.

S.3 DEVELOPMENT OF THE CITY MARKET ON THE PRESENT SITE

At the present time there are no available suitable sites other than the present one for location of the market. The present location is an excellent site for a number of reasons. The positive aspects are its downtown location, good road, bus and pedestrian access, it could integrate well with redevelopment plans for the area, it can accommodate parking in the form of a parkade, it is close to Chinatown and other shops and it is historically identified as the market area.

A redeveloped market on the current site should be housed in a multi-storey building. The first floor with an approximate total square footage of 35,000 would be for the market. To increase the financial viability of the building, make more intensive use of the land site and increase market traffic, it should be extended by another seven floors of office space above the market. The market would be housed on a site larger than the present, occupying an additional 10 city owned, adjacent lots. This increased size of building and site result in better financial viability.

Of the 35,000 sq.ft., 11,000 should be allocated to permanent shops, 7,000 to fast-food/snack shops and 17,000 to stallholders. These also include space for relaxation and socializing especially in the fast-food/snack shop areas. The facility should contain three loading bays, refrigeration facilities, storage facilities, service elevators and portable stalls. An interior design conducive to the appropriate atmosphere is important. This includes high ceilings, a minimum of partitions, spacious aisles, good lighting, open beam ceilings, lots of windows, use of light colours and use of natural materials.

A below ground parkade would accommodate the required parking. It should contain a minimum of 200 stalls. At least 130 of these will be required for the commercial space according to planning regulations. The height of the parkade, at least on the first level, should be sufficient to accommodate trucks.

S.4 FINANCIAL ANALYSIS

The present value of the land the farmers' market sits on is estimated in the $150-$300/square foot range, giving it a total worth of $11.5 million to $23.04 million. The existing market building was completed in 1965 at a cost of $368,653 of which $ 276,493 was financed by a 25-year debenture at 5 3/4%, with annual payments close to $21,000 terminating in 1989.

Table S.4.1 shows the financial operation of the market over the last a four years.

TABLE S.4.1

Financial Operation-Existing Market 1977-81
($)

	1977	1978	1979	1980	1981
Total Revenue	54,489	55,654	75,897	72,519	88,466
Total Operating Expenses	(81,276)	(104,854)	(109,116)	(144,005)	(123,123)
Net Revenue	(26,787)	(49,200)	(33,219)	(77,486)	(13,972)

As demonstrated in the table the market has been operating at a significant loss.

A redeveloped city market would be an eight storey building. The top seven floors would be commercial, the main floor would be the market, the basement would encompass some storage an there would be parking below this. On this basis of capital cost estimates provided by the Property Development Branch of the City of Edmonton and certain operating assumptions, Table S.4.2 presents a senario of the costs and potential revenues of the redeveloped market.

TABLE S.4.2

Financial Assumptions

(1982 Dollars)

Capital Costs[1] (exclusive of land)

Market	35,000 sq.ft. @ $150/sq.ft.	= $ 5.25 million
Commercial	245,000 sq.ft. @ $ 80/sq.ft.	= $ 8.40 million
Storage	17,500 sq.ft. @ $ 60/sq.ft.	= $ 1.05 million
Parking	200 stalls @ $18,000/stall	= $ 3.60 million
	Total	= $18.3 million

Operations and Maintenance

Janitor service contract	$1.68/sq.ft.
Operations costs	$5.50/sq.ft.
Total	$7.18/sq.ft.

Revenue

Commercial Space: net rental rate	$14.00/sq.ft.
Operations and maintenance	$ 7.18/sq.ft.
	$21.18/sq.ft.

Permanent Stalls and Fast Food Shops:

Assume $12.00/sq.ft.

Temporary Stalls:

1) 150 8-foot tables at $6 per table/day
2) full Saturdays
3) 2/3 full Tuesday-Friday

Parking: It is assumed parking will pay for itself inclusive of any operations costs.

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[1] *These estimates should be treated as preliminary only. Detailed cost estimates cannot be made until architectural specifications have been drawn up.*

There are several options available on how the development is financed and operated. Each of these contains a different financial position from the City's point of view. A summary of these is presented below. A net annual position is provided for both the first five years, and for the remaining fifteen years of the twenty year debenture term. This is because the Alberta Municipal Finance Corporation subsidizes municipal debentures for the initial five years, after which the market rate of interest must be paid. The information below will also illustrate the impact to the City of Edmonton of the loss of this subsidized interest rate.

i) Redeveloped market with the City expecting to recoup all economic costs with no grants or subsidies beyond the A.M.F.C. subsidized 11% debenture rate for the first five years of the debenture. Net income amounts to a loss of $1,879,600 per year for the first five years and a loss of $3,893,020 per year for the remaining fifteen years of the debenture. This includes a charge imputed to the land of $38.96/sq.ft.

ii) Incorporation of all capital and operating and maintenance costs, but not land. Net annual profit under this scenario would be $187,050 per year for the first five years with losses of $1,043,725 per year for the remaining fifteen years.

iii) The same as scenario ii) except with a 25% capital grant against the market and storage portions. The net operating profit is $384,275 per year for the first five years and a loss of $770,725 annually for the next fifteen years.

iv) In this scenario the capital grant is 50% of capital costs for the market portion of the building. The net is now a surplus of $582,725 per year initially and a loss of $498,250 per year for the final fifteen years.

v) If there was a 100% grant or write-off of all capital costs for the market portion of the building, the net income for the whole building would be $978,400 per year for the first five years followed by $47,400.

It should be emphasized that the above are only tentative 'ball-park' numbers as detailed cost information cannot be compiled at this stage.

S.5 IMPLEMENTATION

This section considers mechanisms for implementing and financing the city market program. Grants of up to $4,000 per year are available for promotion from Alberta Agriculture, if the city matches these. These are the only grants available to assist with the current budget of the market.

Capital costs for the building are estimated at $29.5 million excluding servicing costs, consulting fees and furnishings. There are four options available on financing capital costs;

i) Debentures: done through A.M.F.C. for the portion not covered by grants. A.M.F.C. subsidizes the interest rate on municipal debentures for the first five years of the debenture term, after which the municipality must pay the market rate of interest which prevailed at the time the debenture was issued.

ii) Provincial grants: these should be available from the province to cover a portion of capital costs. The amount the province will make available is not yet known. Another source of grants is the Major Cultural/Recreation Facility Development Program. Although this program can provide funds up to a maximum of 50% of capital cost of the city market, present guidelines provide for a maximum of $250,000.

iii) Sale or lease of adjacent land: the city owns land worth $1.8 - $3.6 million on adjacent lots. This could be sold or leased to help pay for the capital cost of the new building.

iv) Joint venture with a private developer: in this alternative the present market site would be made available to a developer on a lease. The developer would construct the new market facility and commercial space according to city specifications. The city would then lease back the first floor and basement storage space for the market. From a city financial point of view and management input, this alternative is quite attractive.

1.0 INTRODUCTION

1.1 History of the Edmonton Market

The concept of a farmers' market in Edmonton dates back to December of 1900 when a bylaw enacted by "The Municipal Council of the Town of Edmonton duly assembled" created a public market "in River Lot Eight (8) of the Settlement of Edmonton." From this auspicious beginning the town grew to a city and in 1917 a new bylaw, on which all subsequent market activity has been based, was established.

Until 1965, the public market was operated in the Pay'n'Save building on the site of what is now the Centennial Library. Operation of this market building showed a profit in the late fifties and early sixties although in 1964, its last year of operation, it showed a small loss of about $1,500.

The Edmonton farmers' market has been housed in the present facility at 97th Street and 102nd Avenue since April, 1965. The market has been operating at a deficit since its inception in this facility and is expected to continue operating at a deficit in the future. Although it was anticipated the market would initially operate at a deficit, the gap between costs and revenues has been widening through time.

The land value of the site on which the market is located is another issue associated with the market. Land values have increased substantially in the recent past; in 1979 the value of land for the farmers' market site was approximately $60 per square foot, while in 1981 estimated value was between $150 and $300 per square foot. Considering planned developments for the area surrounding the market, land values will likely continue to increase. The present farmers' market does not make intensive use of the site on which it is located.

The existing market facility has structural problems which require large expenditures to remedy. The building was designed to accommodate a parkade above the market but the parkade was never constructed. The initial design resulted in the roof being constructed in such a manner that exposure to the weather has resulted in the need for costly repairs. In 1979, the cost of repairs to the roof were $20,000 ($24,000 in 1982 dollars). Other problems with the building include a water and sewage system that is inadequate for a farmers' market and moisture problems in the walls. Remedying these problems will not increase the financial viability of the farmers' market.

The facility's interior design has met with disapproval from the tenants from the start. Problems such as excessively high stall counters and inadequate loading facilities are cited by the stallholders, while other users of the market complain of things such as the narrowness of the aisles.

Various studies and proposals related to the existing building have been prepared. Many suggest that chronic underutilization of capacity and persistent deficits could be jointly resolved by reducing the number of days of operation. On the other hand, a series of proposals involving the Chinese community, initiated in 1970, suggested the possibility of adding on to the existing structure and incorporating facilities such as restaurants and in one case, a Chinese temple. Ultimately the Chinatown redevelopment area was moved to the east and plans to integrate the market site were dropped.

In addition to redevelopment considerations, alternative market sites have been examined. Several possibilities were suggested: Patricia Park Square, Exhibition Grounds, LRT parking areas, 82 Street C.N.R. underpass, and the Strathcona bus barns. All have been rejected except for the bus barns, which have since been retained by ETS for use until some unspecified time in the future.

Redevelopment of the farmers' market has now been favoured for the existing site and is an integral component in the "old market-mall" sub-area of the Boyle Street McCauley redevelopment plan.

The farmers' market concept has not been limited to the downtown core area. For years, hawkers have peddled produce, fruit, and flowers on River Road and other locations, taking advantage of the exposure to traffic and the minimal overhead costs. In 1981 a seasonal semi-outdoor market was established under the eastern grandstand at Clarke Stadium and enjoyed success. It appears certain that the farmers' market concept in Edmonton is alive and has great potential.

1.2 Study Components

The first task of this study is to establish the function and characteristics of a city market in Edmonton. This is achieved by means of the following:

- i) an evaluation of the current market in meeting the needs of consumers and producers
- ii) a look at the business impacts from a market
- iii) an examination of viable markets in other cities.

A combination of these components yields a definition for a city market program.[1]

Once the city market program is defined, redevelopment of the market on its present site is analyzed from a locational perspective.[2]

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[1] *An examination of trends in food production and distribution and how these can affect a market was also done. These results are presented in The Edmonton City Market Study Background.*

[2] *A location analysis and the physical location criteria for a market are provided in The Edmonton City Market Study Background.*

Financial aspects of the existing market are discussed and a financial analysis of the redeveloped city market is provided to determine whether the market is financially viable. Five scenarios involving different assumptions on the treatment of land values and capital costs are provided. The financial analysis is based on costs and revenues and does not attempt to quantify the social benefits associated with the market, although they are discussed elsewhere in the report.

Finally, an implementation section discusses possible sources of financing the capital costs associated with the redeveloped city market.

2.0 THE DEMAND FOR A CITY MARKET

A farmers' market is a form of direct marketing. Direct marketing refers to the sale of goods by the producer directly to the consumer, eliminating or at least minimizing the role of the middleman. This direct marketing aspect of the farmers' market benefits consumers, producers, and the community at large.

By reducing the role of the middleman, the producer's marketing costs are lowered. This saving can be realized in the form of higher profits for the producer, lower prices to the consumer, or a combination of both. For the producer, a farmers' market provides an additional sales outlet, increases his market power, and provides quick cash flow. Because the loading, transportation, setting up of displays, and selling of the goods is normally done by the producer or his family, out-of-pocket costs associated with this form of marketing are low.

Benefits of the farmers' market to the consumer are not confined to lower prices for the goods purchased. In fact, prices at the farmers' market are often as high or higher than prices elsewhere. A market does offer the consumer an increased option for shopping beyond the conventional retail outlet. Shoppers are attracted to the freshness of food goods offered at the market, and the likelihood that these food goods have fewer preservatives and additives than foods available at supermarkets.

Direct marketing through a farmers' market provides benefits beyond those realized by the producer and consumer, to the overall community. Farmers' markets provide increased food supplies. They result in increased competition in the retail food sector and reduce vertical integration in this sector. The food industry is characterized by an increasing degree of concentration in the retail food industry; a lack of price competition among food retailers; vertical integration into wholesaling, manufacturing and production; and underutilization of capacity.[1] Market power to the degree associated with the food industry results in inefficiencies and increased competition can help check these inefficiencies.

To the overall community, a farmers' market gives character and vibrancy. As an integral traditional part of the community, the historical marketplace is part of a community's heritage. It creates a mini-farming-lifestyle atmosphere and provides a relaxing social meeting spot. A farmers' market can also serve as a tourist/visitor attraction in the community.

Goods sold at a market typically are sold with less packaging than those sold in supermarkets. The reduced waste is a positive enviornmental spin-off of the market.

The friendly interaction that takes place between producers and consumers promotes greater understanding between the two groups. The convivial atmosphere at the farmers' market has been cited by many users as a distinguishing feature of markets. It is a reminder of simpler days when strangers were friendly to one another and ties to the earth were strong.

2.1 The Realized Demand for the Edmonton Farmers' Market

The overall demand for a city market is composed of a realized demand and a latent demand. The former refers to the portion of total demand that is now being met and the latter refers to potential demand that is not now being met. The demand for a city market can be further segmented into consumer and producer demand.

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[1] *Warnock, Profit Hungry: The Food Industry in Canada.*

To obtain information about realized demand a literature review was undertaken[1], a number of surveys were conducted, discussions with government and market representatives were held, and the market usage patterns were reviewed. Information presented for realized demand includes who now uses the farmers' market, what they purchase, and why they frequent the market.

2.1.1 Consumer Demand

Given the scarcity of data pertinent to an evaluation of the current Edmonton market, a telephone survey of Edmonton households was developed by HLA Consultants and used to provide information on market use and on latent or potential demand. Because the proportion of household population using the market was likely to be small, an additional survey of patrons was carried out to ensure that reliable information was generated. Patrons at the market were approached and asked if they would be willing to be surveyed by telephone and suitable interview times were arranged. Using this approach of personal contact and telephone follow-up did not take time away from patrons of the market, facilitated the conducting of the interviews, and engendered a high response rate. The survey information was amassed throughout the spring and harvest seasons, the times of the year when a farmers' market is most heavily frequented.[2]

These surveys were designed to obtain indications of current use, barriers to use, desired characteristics that would enhance market use, and socio-economic characteristics. Survey results are summarized below.

The people surveyed who have visited the Edmonton farmers' market in the past year were asked how often they frequent the market. About one quarter of those who frequent the market do so at least once per week. About 75% of patrons visit the market at least once per month in the spring season, and about 65% visit at least once per month in harvest season. About one in five respondents do not visit the market regularly.

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[1] *A summary is provided in the Edmonton City Market Study Background.*

[2] *See The Edmonton City Market Study Appendices for details on household and patron survey methodologies and for tabular results of these surveys.*

Patrons were queried on the goods they purchased at the market. In both spring and harvest season the major item purchased was vegetables, constituting about one third of total spring purchase and one half of harvest purchases. About one quarter of spring purchases were bedding plants and 9% of purchases were flowers. Items most frequently purchased in the harvest season were eggs, fruit, and flowers.

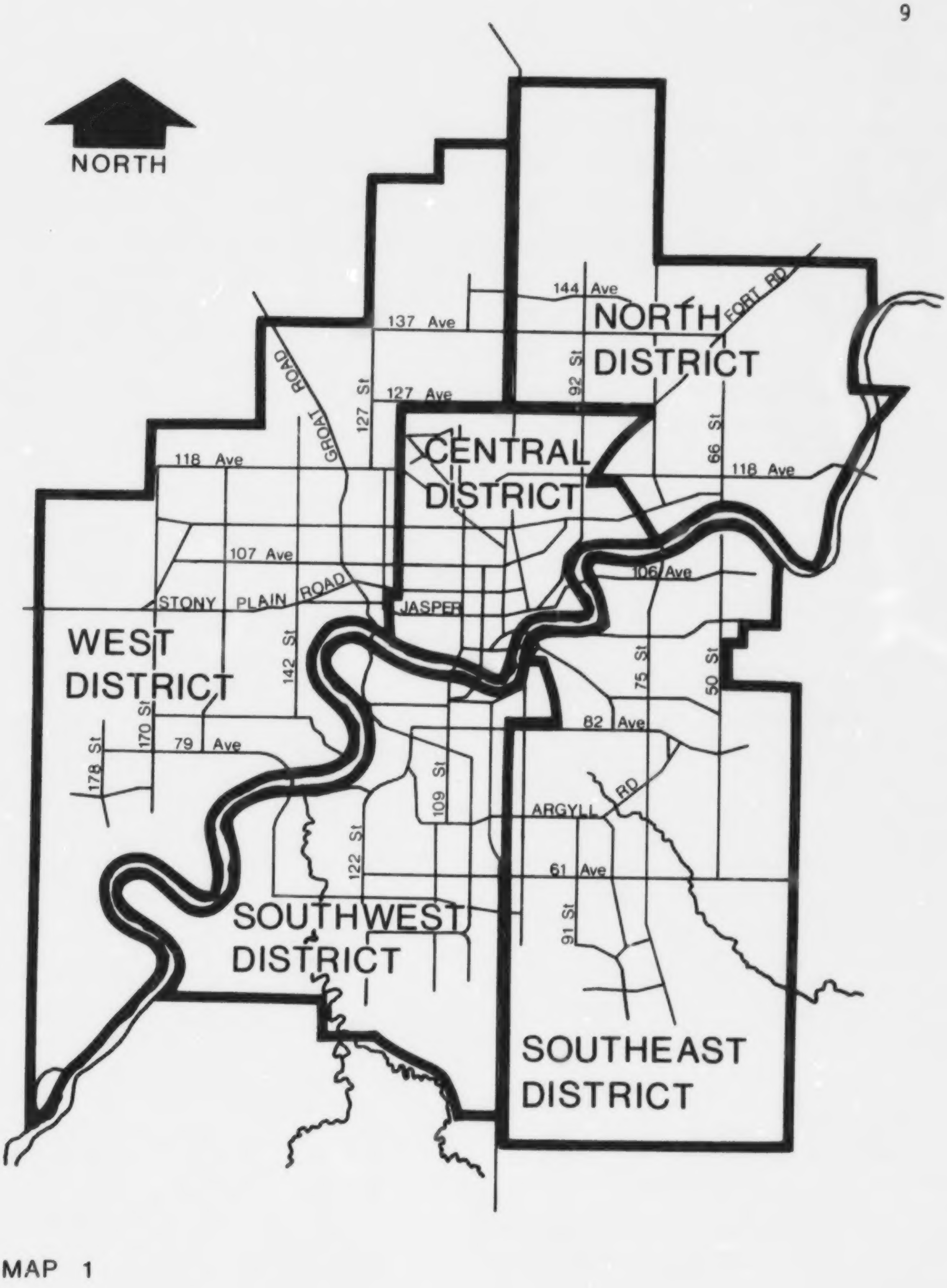
Three quarters of Edmonton market patrons use personal vehicles as their means of transportation to the farmers' market. The next most popular mode of transportation is Edmonton Transit, used by 17% of respondents. About 5% of respondents walk to the market.

Most patrons (63%) of the Edmonton farmers' market visit the market with family or friends, 27% visit the market alone, and 10% visit either alone or with family and friends.

Respondents were asked in an open-ended question what they like about the market. Over 50% of the market users like the overall experience. By this, they mean the browsing, the sights and sounds, the family outing, and the overall experience of the market. Fresh produce was cited next (16% of responses), followed by the variety of goods, the market atmosphere, and good prices.

A question concerning the respondents dislikes about the present downtown market was asked. Of the total responses obtained, about one third of the negative comments concerned inadequate parking, 21% concern the crowdedness of the market, 15% the deficient size of the market, and 12% the location.

The geographic distribution of market patrons and city residents was done by the five Edmonton districts shown in Map 1. The proportion of central district residents that are market patrons is significantly


NORTH
NORTH DISTRICT
CENTRAL DISTRICT
WEST DISTRICT
SOUTHWEST DISTRICT
SOUTHEAST DISTRICT
144 Ave
137 Ave
127 Ave
118 Ave
118 Ave
107 Ave
106 Ave
82 Ave
79 Ave
61 Ave
FORT RD
GROAT ROAD
STONY PLAIN ROAD
JASPER
ARGYLL RD
92 St
127 St
66 St
142 St
75 St
50 St
170 St
178 St
109 St
122 St
91 St

MAP 1

FIVE EDMONTON DISTRICTS

higher than the proportion of city residents residing in the central district, implying a greater propensity to visit the market among central district residents. The lowest propensity to frequent the market is found among residents in Edmonton's west district.

2.1.2 Producer Demand

Information on producer demand for an Edmonton city market was compiled from interviews with stallholders and shopkeepers using the market and major producers in the Edmonton vicinity who do not use the Edmonton farmers' market to sell their goods. The objective of these interviews was to determine what role and function the producers envisioned for the city market. Their use of the market, its importance in the marketing of their produce, advantages and disadvantages of the market operations, and their suggestions on how to enhance the city market were detailed.

A list of stallholders frequenting the market was obtained and telephone interviews were conducted with these people. The permanent vendors were interviewed in person at the market. Major producers not selling at the market were surveyed by telephone.[1]

Producers who sell their goods at the Edmonton downtown market do so regularly. About 90% of the stallholders sell at the market at least once per week. Some stallholders that sell during the harvest season do not sell during the spring season and conversely some selling in the spring do not sell during the harvest season. Survey results indicate that 85% of stallholders sell their goods at the Edmonton market for at least some time outside of the spring and harvest season.

During the spring season, the most prevalent goods for sale are bedding plants, handicrafts, houseplants, and vegetables. Vegetables become the predominate item for sale during the harvest season. The succeeding items in popularity are handicrafts, houseplants, and flowers.

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[1] *Detailed methodology and tabular results for the producer survey are presented in The Edmonton City Market Study Appendices.*

During the off-peak period, goods sold by the stallholders include produce, handicrafts, and houseplants. Mushrooms, honey, flowers, and baked goods and preserves are sold as well.

All of the stallholders at the Edmonton farmers' market indicate that the goods they sell are produced by their family and themselves.

When queried about their use of other farmers' market outlets to sell their goods, 12% of stallholders said they sell their goods at the Clarke Stadium market and 22% sell their goods at other farmers' markets. Of those stallholders using other markets to retail their goods, 36% or four stallholders use the indoor market in the Capilano Shopping Centre, 18% or two stallholders use the Sherwood Park market, and the Bon Accord and Leduc markets were each used by one stallholder.

The stallholders were asked what they like about selling their goods at the downtown Edmonton market. The most frequently occurring response (25% of all responses) is that it provides the stallholder with good business profits. This is followed by: meeting people (22% of all responses), convenient retail outlet (19% of all responses), and the atmosphere at the market (14% of all responses).

The Edmonton farmers' market is an important source of income to stallholders as indicated by the results of the survey. Two thirds of stallholders earn at least half of the income to their operation from sales at the Edmonton downtown market and Clarke Stadium market.

In 1981, a group of people organized as the Clarke Stadium Farmers' Market Association Board of Directors received permission to operate a market in Clarke Stadium's west lobby area. The impetus for establishing the association was to provide an outlet for small producers who do not want to sell their goods on a year-round basis, but only for two to four months. The downtown market cannot accommodate these producers.

The Clarke Stadium site has a number of advantages: good access by car or transit, excellent parking with room for about 800 vehicles, and a size large enough to accommodate all small growers in the Edmonton vicinity. Loading facilities are good but refrigeration facilities are not available. Vendors use tables to display their wares and tail-gate sales are allowed in the adjacent parking lot. Disadvantages of the Clarke Stadium market stem from the openness of the Stadium: the facility was drafty and cold in the late fall.

Producers wishing to sell at the Clarke Stadium market must book in advance with the Association directors. Unless it appears the market will have an oversupply of a particular type of good, all vendors who have booked room are welcome. The market attracted about 75 different vendors in 1981, with about 15 to 20 of these being regular vendors. Goods sold include: produce, honey, mushrooms, fruit, and crafts. Except for B.C. fruit, all goods sold are produced by the vendors. Hours of operation are Saturday between 8:00 a.m. and 1:00 p.m. Initially this market was open Thursday but not enough customers were attracted to warrant the market being open.

2.2 Potential Demand for a City Market

An increase in demand for the Edmonton farmers' market can be realized through increased frequency of usage from producers or consumers or both. The term potential demand refers to latent but unrealized demand. Awareness of the farmers' market, barriers to use of the market, and features that would enhance existing use were analyzed to obtain insight into potential demand.

2.2.1 Potential Customer Demand

To obtain information specific to the actual and potential users of the Edmonton farmers' market, a general household survey[1] was conducted.

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[1] *See The Edmonton City Market Study Appendices for methodology and tabular results.*

Approximately 30% of the households surveyed have visited the Edmonton farmers' market within the past year. However, the majority (85%) of those consumers who have not visited the market in the past year would be interested in doing some of their food shopping at the market, signifying a substantial potential for increasing farmers' market use.

Respondents who were not interested in doing any of their shopping at a farmers' market were asked for their reasons. Responses in descending order of frequency were: not convenient (21%), I grow all I need (19%), I don't buy much (13%), and transportation problems (13%). Other than ensuring the market has good access via Edmonton Transit, nothing can likely be done to alter the food shopping patterns of these 15% of consumers who are non-users.

Patrons and non-users of the market were queried on the degree of emphasis they felt should be placed on various goods. An increase in demand for the Edmonton farmers' market could be assisted by offering the types of goods desired by consumers. Fruit is ranked by most patrons as requiring increased emphasis. As well as obtaining the highest ranking (70%) in the 'more emphasis' category, fruit received one of the lowest rankings (3%) in the 'less emphasis' category. The good obtaining the next highest rating frequency in the 'more emphasis' category is ethnic foods, with 60% of patrons responding this way. Both imported out-of-season vegetables and home preserves/baking received high ratings in the 'more emphasis' category.

In analysing the above results from those who have visited the market in the past year, both the 'more emphasis' and the 'less emphasis' ratings received by the good should be examined. The results must also be considered in light of the degree of emphasis now accorded the various types of goods to obtain a ranking of one good relative to another. For example, in comparing the ranking of vegetables in season and home preserves/baking, the former received a lower rating in the 'more emphasis' category, but it also received a lower rating in the 'less emphasis' category. When the present degree of emphasis placed on vegetables relative to home preserves/baking is considered, it is apparent that overall the former should receive a higher degree of emphasis relative to the latter.

Information from those who have not frequented the market in the past year must be interpreted in a somewhat different manner than information from those who have. The information obtained from non-users does not incorporate the present degree of emphasis placed on the good by the market.

The two types of goods receiving a very high proportion of respondents indicating much emphasis should be placed on them are vegetables in season and fruits. These goods also received the lowest proportion of respondents indicating little emphasis should be placed on them.

Overall, from both groups, it would appear that in-season vegetables and fruit should be highly emphasized, followed by meat, fish and chicken, and home preserves and baking. Market patrons feel that ethnic foods should be highly emphasized, but non-users indicate it should obtain only little emphasis. Handicrafts and art are rated low by patrons and plants and flowers are rated low by non-users of the market.

The consumer surveys also requested respondents to indicate the degree of importance they attach to a series of factors that could affect market use. Responses were obtained from patrons and non-users of the market. Both groups state that the most important factor to increasing their use of the Edmonton farmers' market is better parking. The second most important factor is better advertising of the market. A greater variety of food products and year-round operation are important factors to increasing market use by both patrons and non-users. Non-users say a location closer to home could be important to their use of the farmers' market. For both consumer groups the least important factors are a greater variety of handicrafts and restaurants in the market.

Location of the market can affect utilization. Survey results show that the present location is deemed less convenient by non-users than by users. This could be a reflection of the severe parking limitations noted in the above discussion. The preferred alternative location for a city market is the southside. The most frequently mentioned southside location is the Whyte Avenue area. The next preferred location by farmers' market patrons is downtown, followed by the northside. In order of preference, non-users indicate the northside, westend of Edmonton, and downtown.

The highest proportion of Edmonton residents who have not used the market in the past year reside in the west of the city, while the lowest proportion reside in the central area of the city (see Map 1).

2.2.2 Potential Producer Demand

Obtaining information on producer demand for a City farmers' market necessitated interviewing producers who do not now use the farmers' market for vending their produce as well as those currently using the market. Surveys were conducted of all the stallholders using the downtown market[1] and of the owners of the permanent stores in this market. Discussions took place with the two major producers engaged in market gardening and residing in the Edmonton vicinity who do not sell at the Edmonton farmers' market. To obtain information on the Clarke Stadium farmers' market, the managing director of the Clarke Stadium Farmers' Market Association and representatives of Edmonton Parks and Recreation Department were interviewed. Stallholders vending in the Capilano Mall Shopping Centre were surveyed and discussions took place with the roadside vendors along River Road. Information obtained from the survey of stallholders at the downtown market is presented first.

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[1] *See The Edmonton City Market Study Appendices for methodology and tabular results.*

The survey asked how stallholders rate the facilities at the downtown Edmonton farmers' market. In general the facilities did not receive good ratings. A split between 'good' and 'poor' ratings is evident in many of the responses. For example, about 40% of stallholders feel the height of the counter space and the amount of storage space is good, yet about 30% of respondents rate these facilities as poor. The feature obtaining the best rating is the amount of counter space per stall. Loading facilities obtained a high 'poor' rating.

Respondents to the stallholders survey were also queried if there were other facilities that did not meet their needs, and what these facilities were. Sixty percent say that there are other facilities that do not meet their needs. Parking is most frequently mentioned as a deficient facility (32% of responses). Restrictions on the use of stalls and floors is mentioned in 18% of the responses. Problems with the platforms on which vendors stand (i.e. vendors stand on platforms in their stall area as the counters are otherwise too high to be reached with ease) are also cited.

The interviewers asked stallholders to indicate how important a number of factors are in making the Edmonton farmers' market a better place to sell their goods. Better parking is cited by 90% of stallholders as being very important. The second most important factor is advertising the market. Other elements rated as being important are: more people attending the market, year-round operation, and restaurants in the market. Ratings are low in terms of importance for: a location closer to home, the farmers' market being open on Sundays and evenings, and a more attractive market.

One quarter of the stallholders surveyed indicate there are goods they do not currently sell at the Edmonton farmers' Market that they would like to sell. Goods mentioned by these stallholders are primarily produce and handicrafts.

When asked if they found the present downtown location convenient, 90% of the stallholders interviewed replied that it is convenient. If, however, there was to be another location for the market, 63% feel it should be in the downtown area, 7% feel it should be in the northend, and 5% feel it should be on the southside. About one half of the respondents to this survey suggest that if another market opened at a location closer to their home, they would sell at the present location only. A total of 43% would sell at both the present location and a new location closer to home.

There are five permanent shops located in the Edmonton farmers' market and open year-round. A description of the goods sold by these shops is summarized below:

1) Prince Rupert Fish Market - selling fish (fresh water, ocean, shell, and canned fish), tropical fruit, dry staples, and Chinese and European specialty foods.
2) Ital Canadian Meats - selling beef, pork, poultry, bread, and general groceries. The store also sells cheese via a rented stall on Saturdays.
3) Heintz's Poultry Farm - selling chickens, turkeys, geese, ducks, and eggs.
4) Betty's Fruit Basket - selling vegetables and fruit, dairy products, baked goods, and other general food and household items.
5) Market Dairy Bar - primarily a stand-up restaurant selling short-order foods. There are two tables at which patrons can sit.

All of the permanent shops obtain their goods from large wholesalers, with the exception of the poultry store which obtains its poultry from farmers in the area as well as raising its own poultry.

The meat and poultry shops say they experience a steady business year-round; the vegetable and fruit shop is busiest in summer and the fish shop is busiest in winter. All the store owners find Saturday to be the busiest day of the week.

In contrast to the stallholders, the majority of permanent shop vendors rate the loading facilities as good and the refrigeration facilities as good. Most feel that the total amount of retail space available is fair. Additional inadequacies mentioned are the lack of storage space, including cold storage space and parking. One vendor says loading facilities are inadequate.

When questioned about what would make the Edmonton farmers' market a better place to sell goods, the majority of permanent vendors agree the following are very important: year-round operation, better parking, special events, and more people attending the market.

Two of the five owners of permanent shops say they would like to sell some goods at the market that they do not currently sell. One owner wishes to sell poultry by-products and the other wants to sell fresh produce.

Three fifths of the vendors feel the present downtown location is not convenient, but the majority feel the farmers' market should remain downtown. If another farmers' market opened at another location, four of the five producers would like to sell at both locations.

When asked what proportion of the income to their operation came from sales at the market, three of the vendors indicated 50% or more.

The Clarke Stadium Farmers' Market Association has indicated it would be interested in using an Edmonton city market. The Clarke Stadium market resulted primarily from the inability of the downtown market to accommodate small producers. Plans at present, however, call for continuation of the Clarke Stadium market, and a lease to this effect between Edmonton Parks and Recreation and the Clarke Stadium Farmers' Market Association has been signed. The Clarke Stadium market has potential to become a viable market.

A farmers' market is held in the Capilano Shopping Mall every Saturday in the summer. Five market vendors selling in the mall were interviewed. The goods sold at this market include vegetables, fruit, houseplants, and honey and are produced by the vendors and their families. Selling at the Capilano Mall location is enjoyable primarily because the vendors enjoy the people and the social interaction. The vendors say the mall provides a busy market, and one vendor mentioned it helps business to be located close to a major food store. When asked if they would be interested in selling their goods at another market, four of the five replied affirmatively. Preferred locations for another market are, in order of preference, the southside, downtown and the northside. All the sellers interviewed sell their goods at other locations as well as the Capilano Shopping Centre: the Edmonton farmers' market, Clarke Stadium market, and markets in Bon Accord, Gibbons, Leduc, Ponoka, Camrose, and Wetaskiwin. Two sellers also sell at their farm gate and another sells from his greenhouse. Good parking, lots of space for stalls, and good lighting were mentioned as being important to a good market.

Seven roadside vendors were interviewed to obtain an indication of their potential use of a farmers' market. These vendors normally sell everyday, except in inclement weather. Fruit is the most popular good for sale, followed by vegetables, flowers, fish, and honey. The fish vendor sells his goods from his warehouse year-round. The others are not associated with large operations. Five of the seven sellers obtain most of their goods from major wholesalers, two obtain them from producers, and one uses both sources of supply. The vendors feel their work is interesting, they enjoy meeting their customers, and feel this type of work provides them with independence and a decent living. Five of the seven producers questioned say they would be interested in selling their goods at a farmers' market. Most of them feel a preferred location for the farmers' market would be on River Road. When asked what features they would like to see in an Edmonton city market, they mentioned washrooms, garbage bins, and adequate parking. Five of the seven feel an indoor market is required due to weather problems and one vendor mentioned the existing Edmonton farmers' market was too small.

The two major producers in the Edmonton vicinity who do not sell at the Edmonton market were interviewed by telephone to obtain information on their marketing and whether they would be interested in using an Edmonton city market to sell their goods. Both producers sell their goods every day of the week in the spring and the harvest season from their farms. In spring they sell bedding plants, shrubs, trees, nursery supplies, and garden accessories. Sales in the summer and harvest season include produce, fruit, houseplants, trees and shrubs, and garden and nursery accessories. Sales methods are pick-your-own and farm gate. Both producers have greenhouses used primarily for bedding plant production. Produce and fruit are farm grown and sold in the summer and harvest seasons until about November. The goods sold by these producers are produced primarily by themselves and their families.

The way of life ensuing from their operation, in particular being their own boss, and the family aspects of the operation appeal to these two producers. They find that by eliminating the middleman they provide less expensive goods to the consumer and yet they can make a good profit. Most of the customers frequenting these establishments come from Edmonton, St. Albert, and Sherwood Park, and the majority of these customers do not do any of their shopping at farmers' markets.

Both producers feel farmers' markets are advantageous marketing outlets for other producers, especially in cases where the producer is small or does not live in a good location for selling from his farm gate. They feel high standards for produce and cleanliness are important at a farmers' market.

Both have used farmers' markets in the past to sell excess produce and are receptive to using the Edmonton farmers' market if the following factors are changed: parking problems, problems with the physical design (e.g. washrooms, stalls, and layout), and hours of operation.

2.3 Impact of the Farmers' Market on Local Business

A survey was taken of businesses in the vicinity of the Edmonton farmers' market in order to determine impacts the market now has on local business as well as any potential impacts that could result from relocating or improving the market.[1]

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[1] *See The Edmonton City Market Study Appendices for details on methodology and tabular results to the business survey.*

The survey asked the business community about the significance of the farmers' market within the local business community. About 75% of respondents said it plays an important part, and 8% felt it does not. Just over 60% of those surveyed feel the farmers' market has positive benefits for their business, particularly in the way of increased shopping traffic.

In terms of negative effects, when asked whether the farmers' market competes with their businesses, 92% of respondents indicated that it does not, and only 6% agreed there was competition.

The business survey also asked what improvements could be made to improve the existing market. Expansion of the market and increased parking facilities are the most often mentioned improvements. Extension of hours and design improvements are also mentioned.

The results from the business survey show that businesses in the area perceive the farmers' market as being an integral component of their community as well as having a large number of positive spin-off benefits in relation to any negative aspects.

3.0 MARKETS IN OTHER CITIES

Comparative information for markets in other cities was obtained to provide an appreciation of what makes a vibrant market. Three other markets were contacted and interviews were conducted with the market managers.[1] An attempt was made to include markets with varying characteristics, approaches, and goals. The three markets discussed are Kitchener's Farmers' Market, Vancouver's Granville Island Public Market, and Seattle's Pike Place Market. The Kitchener market is a 'pure' farmers market selling only local produce and goods while the other two markets are components in extensive redevelopment schemes although circumstances differ in each of Vancouver and Seattle.

3.1 Economic Viability of the Markets

None of the three farmers' markets examined was set up as a money-making venture, neither were they intended to be subsidized on an ongoing basis.

The Kitchener Farmers' Market is owned by Oxford Development and rented out to the city. Annual stall fees are set according to the product sold and apply to four-foot spaces. These rents are: meat - $374; cheese, fish, and fowl - $217; refreshments and commercial baking - $203; home baking and others are $71 per year. Daily stall rates are $1 per table-foot. Outside annual rates for ten-foot stations are $149, while daily rates are $9.50. At present, the market is losing money but it is expected to breakeven soon.

Rent and advertising take up large portions of annual operating costs. The Kitchener Market appears to be at a cost disadvantage relative to the other markets since it was not subsidized by capital cost grants. Thus it can be expected that rent would have to cover amortization of capital as well as building maintenance.

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[1] *Detailed information from these interviews is provided in The Edmonton City Market Study Background.*

Vancouver's Granville Island Public Market is managed somewhat differently. The entire island has been redeveloped under the sponsorship of the federal government and is administered by CMHC and a policy advisory board. Federal redevelopment grants were used in construction and thus revenues need not cover capital amortization. Annual costs are just those costs associated with operation and maintenance. Rates charged to users of the market are set in conjunction with an economic consultant and are based on going real estate rents. Vendors have a choice between a flat rate or a percentage of receipts. About 99% pay by the latter method. Revenues exceed costs on an annual basis though it should be recognized that rental rates are established separately from costs.

Like Vancouver's market, Seattle's Pike Place Market is part of a large redevelopment plan financed largely by federal grant monies. The market is administered by a non-profit tax-exempt corporation set up by the city, much like a Port Authority. Ownership of the redeveloped area is by a hodge-podge of private and public interests.

Permanent merchants in the market lease their spaces with rents varying up to a maximum of $12/square foot. Day tables are eight to ten feet wide with first choice going to farmers who pay $1.50 for weekdays and $2.00 on Saturday. Arts and crafts people have second choice and pay $2.00 on weekdays and $3.00 on Saturday for four to five foot tables.

Roughly 50% of the redevelopment cost of the market was covered by grants. The remainder was financed by low-interest federal loans and commercial mortgages. Revenues are required to cover amortization of mortgage and loan funds as well as operating costs and do so by a small margin. Being a non-profit organization, the Pike Place Market is not expected to do any better.

3.2 Non-Economic Viability of the Markets

The non-economic viability of a market depends on the degree to which the desired atmosphere is created, farmers with a variety of goods are attracted, and perhaps most importantly, a sufficient number of people are drawn to the market. The Kitchener market has tried to engender a rustic atmosphere, making extensive use of wood in construction. The atmosphere at the Vancouver market is described as being "simple, plain, industrial," avoiding any ethnic character. Seattle's market, being part of an historic redevelopment scheme and housed in a restored older building, would likely have an atmosphere closer to that of the Kitchener market yet in a structure similar to Vancouver's market place.

Goals of the three markets differ to varying degrees. The Vancouver and Seattle markets, as components in redevelopment schemes, serve a different purpose than the Kitchener market--which remains solely a place for direct purchases of farm-fresh goods and homemade crafts. The Seattle market has perhaps taken the public market concept farther than Vancouver by including taverns and restaurants whereas the Granville Public Market makes extensive use of fast-food outlets. Clearly, though, the distinction remains between a market meant primarily to bring farmer in contact with consumer and a market intended as an integral part of some wider development scheme. The latter makes allowance for provision of a wider range of goods, not hesitating to allow exotic produce and handicrafts to "fill up" space left empty in the local off-harvest season. The "pure" farmers' market concept likely cannot be sustained throughout the year on a daily basis, as evidenced in the operational days of the Kitchener market (Wednesday and Saturday).

A number of factors were mentioned consistently by the interviewed market managers as being helpful in drawing people to the market. Advertising and promotion, though varying as proportions of operating costs, are considered vital to attracting people. Where advertising costs are reported as low (particularly Seattle), extensive use of free promotional opportunities is made and use of this medium cannot be overemphasized.

A second factor mentioned in drawing the necessary crowds is incorporation of a number of festivals and special celebrations. The Vancouver market has eight to ten ethnic festivals throughout the year. Seattle's market has a market anniversary festival, an arts and crafts day, a farmers' day, and special events for the fourth of July Memorial Day. The Kitchener market program makes use of an arts and crafts fair every Sunday and this is reported to be successful in bringing other market operations to the attention of the public.

A final factor mentioned often is the importance of keeping the market clean in order to assure people's confidence in the quality of foodstuffs sold at the market.

4.0 A CITY MARKET PROGRAM FOR EDMONTON

4.1 The Need for a City Market

Edmonton's present market facility suffers from a number of inadequacies both structurally and in terms of design. Structural inadequacies include problems with the facility roof, walls, and water and sewage systems. Design deficiencies include such things as the height of stall counters, width of aisles, and loading and storage areas.

Since its inception, the Edmonton farmers' market has been operating at a deficit, which is forecast to continue and in fact increase through time. Repairs and renovations to correct the structural and design deficiencies of the market facility will enable the market to continue operating in the facility but will not improve the financial viability of the market nor increase revenues to the market.

An additional issue associated with the existing market concerns whether or not the farmers' market is the best use of the land on which it is sited. Given the present high land values for the area and the probability that land values will continue to rise due to the development plans for the area, the present farmers' market likely does not make good use of the land. A more intensive use of the land should be considered.

A definite need for a city market in Edmonton has been evidenced in the demand analysis but given the shortfalls of the present facility in meeting the needs of producers and consumers, a new market facility is required.

4.2 Type of City Market

There are two patterns after which a viable Edmonton city market could model itself. The first is exemplified by the Kitchener farmers' market, the second by the Vancouver/Seattle markets. In the Kitchener case, the market is held two times per week throughout the year. The building was designed for multi-use but its primary function is to house the farmers' market. Other uses of the facility include banquets and meetings. The Kitchener market is designed for year-round use but the design of the attached parkade provides the market with additional flexibility: peak season utilization of the market is optimized by allowing producers to "tail-gate" sell in the parkade from their vehicles.

The Seattle and Vancouver market facilities on the other hand are used for a single purpose--to house a city market. These markets are open throughout the week, year-round. No formal provision exists at either market to accommodate additional producers during the peak season.

In keeping with its purpose of providing an outlet for the local produce and handicrafts of the region, the Kitchener market does not allow the sale of exotic or imported goods. As a result, it is something of a seasonal market. The two west coast markets are year-round markets which allow imported goods into the market to level off the seasonal troughs of the availability of local produce. These markets remain bustling year-round. Resulting from these differences, the Seattle and Vancouver markets have many permanent shops but the Kitchener market has no permanent shops in the facility. The permanent shops ensure the availability of goods throughout the week to serve as a continual drawing card to consumers. The temporary stalls complement the permanent stalls, providing the 'market' aspect of the atmosphere.

Information collected from the surveys of producers and consumers indicate the demand for an Edmonton city market is sufficiently strong for a viable week-long year-round market. In their responses to the survey questions on what would increase their use of the market, the survey respondents agree that important factors are increased number of days of operation and year-round operation. The survey results signify that if a city market is to be viable in Edmonton, it must be a larger scale market selling a greater variety of produce and goods than sold at the existing market. The type of city market advocated for Edmonton is one patterned after the Vancouver/Seattle markets. The new city market facility should be constructed for a sole purpose--to house a year-round market. To make certain the market is vibrant year-round, a significant proportion of the market should be allocated to permanent shops and during periods when local produce is in short supply, imported produce should be allowed into the market.

4.3 Operation of a City Market

Prior to the opening of a new Edmonton city market, the operating parameters of the farmers' market will require revisions. Redefined operating guidelines are essential if the market is to attain its objective of satisfying the needs for direct marketing among producers, consumers, and the community. This operating policy should focus on the following areas.

(i) Potential Markets

The potential users of the Edmonton city market can be segmented into three groups: households, business lunchhour trade, and tourist trade. Each of these groups is distinct and has different wants from the city market, although these will overlap. For example, the householders' primary want may be the purchasing of fresh produce but the householder may also make use of snack/eating facilities. The items discussed below should be considered in light of these three user groups.

(ii) Social Aspects

The survey results reveal that shopping at the market is usually done in the company of family and friends, seldom alone. Both the market patrons and stallholders agree on the importance of the social aspect in their use of the market. Amenity features conducive to relaxation and socializing should be incorporated into the market.

(iii) Goods for Sale

The survey results illustrate the importance of fresh produce and a variety of goods for sale as essential characteristics for a viable market. When produce is available from growers in the Edmonton vicinity, it should be used to stock the market. If the market is to be busy year-round and retain its clientele, imported produce must supplement local produce during the off-season. It is recommended that priority be given to locally produced goods but imported goods should not be precluded from the market.

Vendors of handicrafts and specialty items should be encouraged to use the city market to sell their goods although the focus of the market should remain with foodstuffs. Permanent shops in the market should be allocated among the various types of food, and fast-food/snack shops should provide a variety of eating experiences. The provision of variety and quality is essential for a successful market.

(iv) Hours of Operation

The data collected during the course of the study support a year-round market, with expanded days and hours of operation. It is proposed the market be open five days per week, Tuesday to Saturdays inclusive, throughout the year. Hours of operation should correspond to normal hours for shopping.

(v) Market Ambience

Patrons of the farmers' market feel a visit to the market is an experience rather than an ordinary shopping trip. It appeals to different sentiments and is sometimes undertaken for different reasons than a normal shopping trip. The atmosphere of the city market should therefore be unique and make the most of differences between the market and normal shopping centres. The market should have an atmosphere of organized clutter, relaxation, and friendliness. It should not have the impersonal, sterile atmosphere associated with supermarket shopping.

(vi) Quality Control of Goods

Retail space in the new city market facility should be divided among the following uses: permanent shops, temporary stalls, and fast-food/ snack shops. To maintain consistently high standards of goods, the market management should seek out appropriate vendors and not allocate space on a first-come basis. The larger market gardeners in the Edmonton vicinity may be interested in acquiring vending space in the permanent shops as they are the producers most likely to be able to supply the shop during the harvest season. The smaller market gardeners can rent space in the temporary stalls. Small market gardeners who do not now have space in the farmers' market should be considered for space in the new city market.

(vii) Location of Seasonal Markets

Demand in Edmonton for direct marketing is likely sufficient to support several seasonal markets as well as a main city market. The seasonal markets will relieve congestion during peak periods at the city market and accommodate small market gardeners who cannot sell their goods at the city market. However, seasonal markets can affect the viability of the city market in the short term. It is recommended that seasonal markets not be held until the main city market is established and viable.

(viii) Promotion

Lack of farmers' market advertising was noted in the course of this study as a major barrier to increased use of the market. People did not know of the existence of the market or what was being sold at a particular time. As well as advertising to inform consumers of available products and prices, promotional activity is required. The market management should use special programming such as special events days to bolster attendance. A promotion campaign should include an awareness and education component to inform the public about the city market, promotional materials, and links with other agencies such as the Edmonton Visitors Bureau and hotel and motel associations. Promotional material should highlight the unique function and identity of the city market and the entertainment value of the market should be emphasized.

(ix) Market Management

Market management should operate the city market as a business rather than as a city-owned service.

5.0 DEVELOPMENT OF THE CITY MARKET ON THE PRESENT SITE

There are no suitable alternative sites for placement of a city market, other than the existing site, available for consideration at the present time. Although the existing Edmonton market facility is not meeting the needs for a city market, using the present location does have a number of benefits. Firstly, the location is downtown, the prime location for a city market.[1] Access to the site by car, transit, or on foot is good, and the site is close to Chinatown, other shops, and attractions. A redeveloped city market would integrate well with plans for the area and could accommodate the changes necessary in parking facilities and design characteristics. An additional positive benefit of the present site is its historical tie to the market. Map 2 shows the present city market location.

5.1 Physical Design of the City Market

If the city market is to remain on the present site, a multi-storey building is required. The market should comprise the first floor for a total square footage of about 35,000.[2] To assure that the site is used to its optimum and to increase the financial viability, space should be provided above the reconstructed market. City plans for the area restrict building height to a maximum of eight floors, implying there will be seven floors of commercial space or residential space above the new market.

An enlarged market building would require a larger site. The city owns a number of lots adjacent to the market which could be used for expansion. Map 5 (see Section 6.1) shows the present market site, city owned lots adjacent to this site and the proposed site for the redeveloped market.

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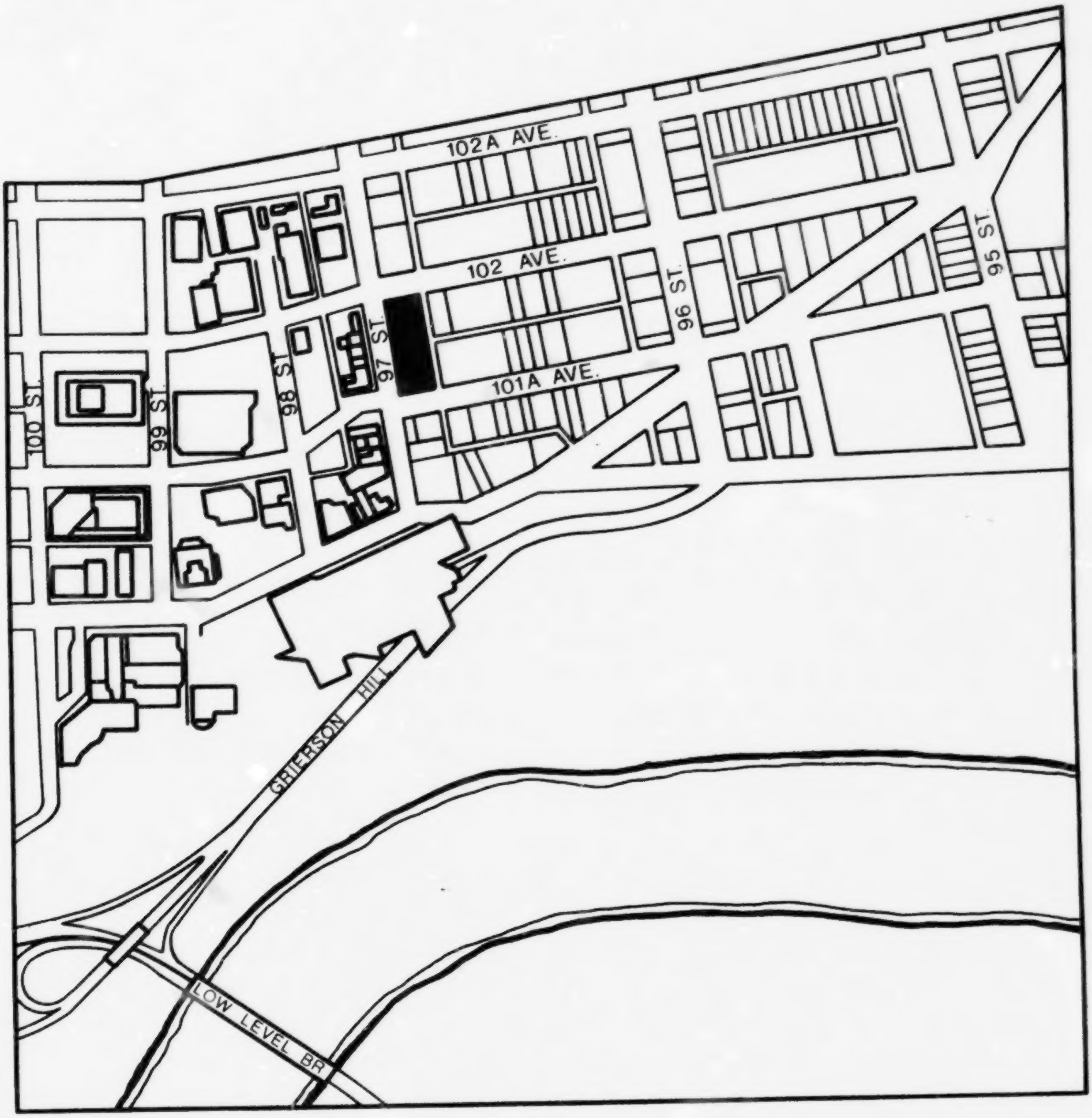
[1] *A discussion of the physical location criteria important to the selection of a site for the Edmonton City Market is provided in The Edmonton City Market Study Background, as is a description of a methodology for a comparative economic evaluation of alternative locations.*

[2] *This estimated square footage is approximately twice that of the existing market. The size was determined based on discussions with other market managers, provincial government representatives, and indications obtained from the surveys.*


102A AVE.
102 AVE.
101A AVE.
100 ST.
99 ST.
98 ST.
97 ST.
96 ST.
95 ST.
GRIERSON HILL
LOW LEVEL BR.

MAP 2

CITY MARKET

■ CITY MARKET LOCATION

The city market will be located on the first floor of the building, with the 35,000 square feet allocated as follows:

- approximately 11,000 square feet to permanent shops
- approximately 7,000 square feet to fast-food/snack shops
- about 17,000 square feet to stallholders (temporary/semi-permanent users).[1]

These spaces also incorporate open areas for relaxation and socializing particularly in the fast-food/snack shop vicinities.

Consultation with producer groups during the design of the market will reduce the likelihood that shortcomings inherent in the market will occur. The following facilities should be incorporated:

1) Three loading bays of sufficient size that producers/vendors can drive trucks through them and into the building to unload their goods. With this type of access, unloading during peak periods will not be a problem.

2) Refrigeration facilities dispersed throughout the market. Goods requiring refrigeration (for example, meat and fish) are popular and shops selling these goods should be included at different places in the market to entice people to browse around.

3) Storage facilities, which could be provided in the basement.

4) Portable stalls, such as tables, for the stallholders. Washing and cleaning facilities are also required for the stallholders.

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[1] *Space allocation is based primarily on the experiences of other markets. Fast-food/snack areas take up about one fifth of the market space in Vancouver. The allocation of space between permanent shops and stallholders is more difficult and blurred. Often stallholder space will contain refrigeration equipment and counters that are more or less permanent. The allocation to permanent shops represents a minimum allocation to those who sell at the market every day it is open.*

A distinctive atmosphere and design should characterize the city market, make it a readily identifiable facility, and emphasize its unique function. The overall atmosphere will be open, spacious, light, and clean. To help create an open, spacious atmosphere, a high ceiling on the main floor is recommended, along with wide aisles for pedestrian circulation, good lighting, and open-beamed ceilings. This spacious atmosphere will be helped if there are no walls separating the permanent shops from one another and the market. The market should appear light and clean. To help achieve this, light colours can be used, lighting should be bright and natural, and there should be a lot of window space.

Natural materials, in particular wood, should be used; beams and partitions between vendors could be made of wood and the floors could be of stone or brick. Mall furnishings such as benches, tables, and chairs are needed. Access to the market facility should be possible from at least four areas. The overall city market atmosphere should be one of relaxed 'organized clutter.' This can be emphasized through the use of signs for the shops, beams on the ceilings, awnings, hanging plants, and through the provision of amenity areas (for example, areas for art displays).

It is estimated that at least 200 below-grade parking stalls are needed; a minimum of 130 of these are required by law. The height of the parkade should be sufficient, at least on the first level, to accommodate the producers' trucks.

5.2 Integration with Area Plans

The present site of the Edmonton farmers' market is on the southwestern periphery of the Boyle Street McCauley planning area. To the west of the market is the Civic Centre sub-area of the downtown planning area. Both planning districts, southwest Boyle Street McCauley and the Civic Centre, are slated for extensive redevelopment.

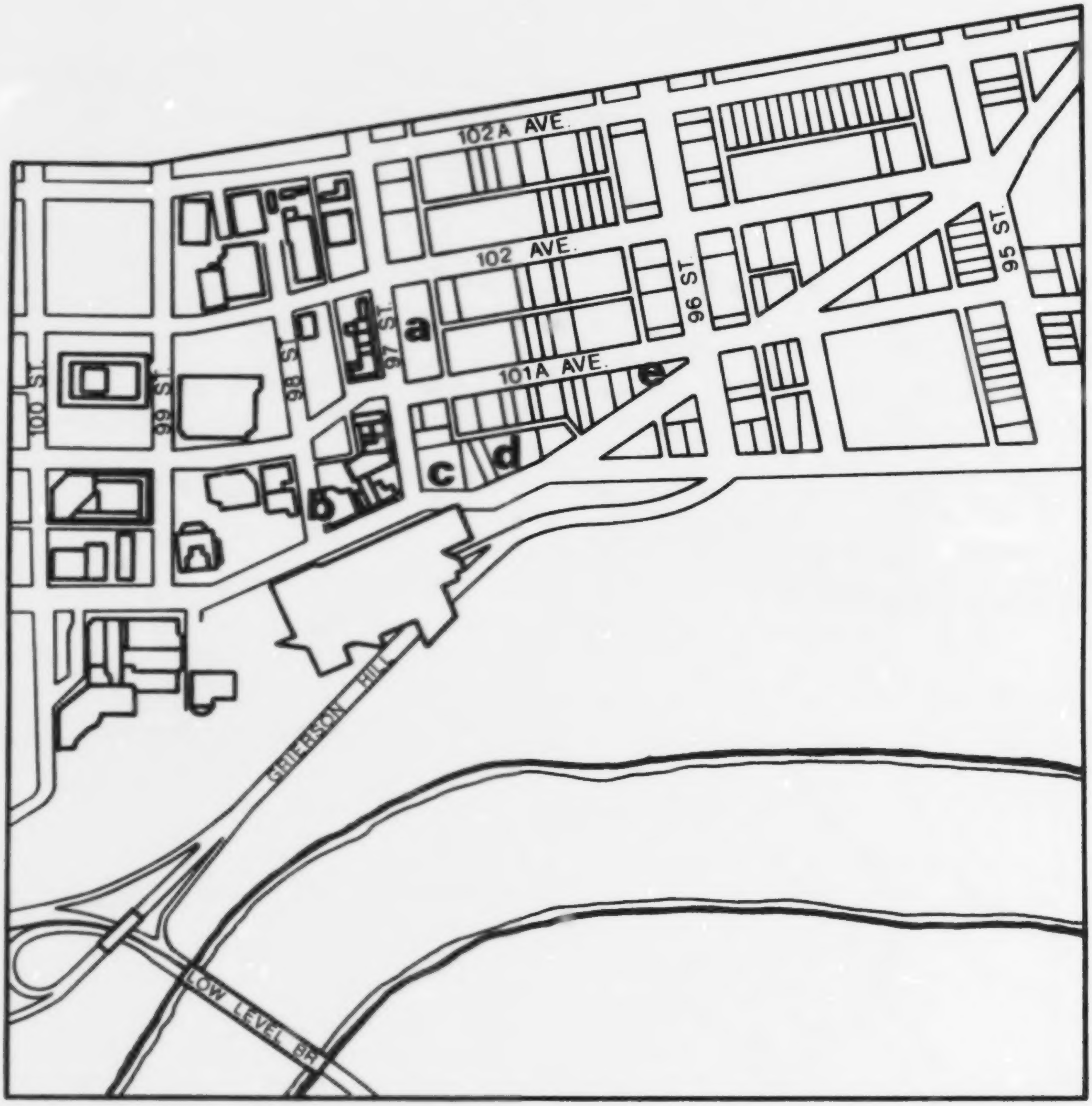
The Civic Centre has been and will continue to be the governmental and institutional area for the city. Included in this district are cultural facilities such as the Citadel Theatre, Centennial Library, and Edmonton Art Gallery as well as public buildings like City Hall, the Provincial Court House, and the Central Post Office.

The southwest portion of the Boyle Street McCauley district is predominantly a marginal commercial area supporting businesses such as second-hand stores and pawn shops, many of which are run by Chinese. In addition, some light industrial activity takes place in the area.

In the immediate vicinity of the farmers' market site, for the most part, the land is prime for development. A block to the south is Edmonton's new Convention Centre, currently under construction. Land surrounding the Convention Centre site seems destined for developments that will complement and service the centre such as hotels and office/retail space.

Directly south of the farmers' market site is a parcel of land containing a number of historic buildings known as Jasper Avenue East Block (see Map 3). Included in these buildings are the Goodridge Block (W.W. Arcade building), built in 1911; the Hub Hotel, portions of which date to 1882; the Brighton Block, constructed in 1911; the Pendennis Hotel, built in 1905 and later converted to a rooming house; and perhaps the most historically significant, the triangular-shaped Gibson Block or Flat Iron building, constructed in 1913 and designated as a Registered Historic Resource in 1979. Despite the historic nature of the block, it appears to be destined for some form of redevelopment. This will possibly involve construction of a major hotel with grade-level retail space both on Jasper Avenue and on 101A Avenue, although building height cannot exceed eight storeys. Likely, any new development would see either preservation of Jasper Avenue East Block in its entirety or incorporation of the facades.

To the east of the present farmers' market site is an area that will be redeveloped as Chinatown (see Map 4). It will include a Chinese "Garden of the Four Seasons," a ceremonial square at 96th Street and 102nd Avenue


102 A AVE.
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95 ST.
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a
b
c
d
e
GRIERSON HILL
LOW LEVEL BR.

MAP 3

HISTORIC BUILDINGS IN THE CITY MARKET AREA

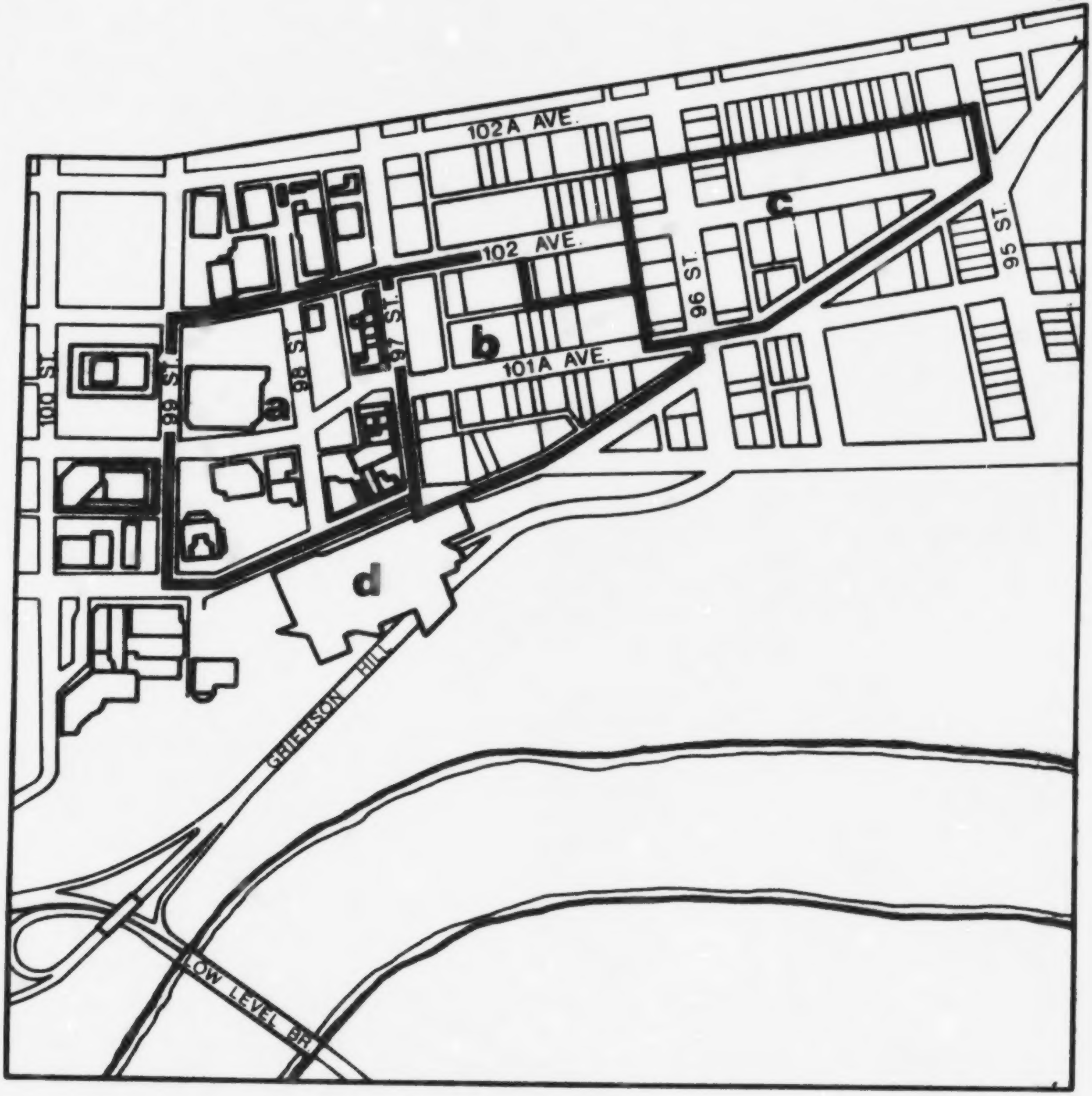
a CITY MARKET

b ALBERTA HOTEL

c GOODRIDGE BLOCK (W.W. ARCADE BLDG.) & HUB HOTEL

d BRIGHTON BLOCK & PENDENNIS HOTEL

e GIBSON BLOCK (FLAT IRON BLDG.)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LOW LEVEL BR.
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MAP 4

Re-Development Areas and Projects

a SOUTHEAST CIVIC CENTER

b OLD MARKET MALL SUB-AREA

c CHINATOWN SUB-AREA

d CONVENTION CENTER

which will serve as the focal point of Chinatown, and ornamental Chinese gates at 96th Street and Jasper and just west of 95th Street on 102nd Avenue. Building restrictions in the area will limit heights to eight or ten storeys, depending on lot size.

West and southwest of the market site will be the location of perhaps the dominant set of structures in the area, the southeast Civic Centre. This development is proposed by the federal government, the site having been obtained from the city in a land swap. The centre will include three towers in the 20-storey range--a federal building, hotel, and office building, centred around a large square. These buildings will be located adjacent to the Citadel Theatre and the Sun Life Tower. The Alberta Hotel, built in 1903, will be preserved as part of the southeast Civic Centre. The southeast Civic Centre will strengthen the locational advantages of the market.

Currently situated to the north of the market site are a number of low-rise commercial buildings zoned for residential/commercial mixed use. Building heights are limited in the area to eight storeys. Although this is prime land for development, plans for such are as yet unknown.

A redeveloped city market will be part of an old market-mall concept sub-area. The general intent is outlined in the following:

> "To preserve an area with urban heritage characteristics, including the Farmers' Market, and historical structures such as the Gibson Block and to revitalize this area by improvement of the Farmers' Market and construction of the 101A Avenue Pedestrian Mall."[1]

101A Avenue will be closed and the resulting pedestrian mall will serve to connect the southeast Civic Centre to the new Chinatown development. Distinctive paving, street furniture, and large-scale street trees will be used to engender a mall-type atmosphere. This pedestrian mall will be one of a number that are envisioned in the city's redevelopment plans.

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[1] *The City of Edmonton Planning Department, Boyle St. McCauley Area Redevelopment Plan Bylaw, p.6.*

The closure of 97th Street from Jasper Avenue to the market would facilitate access to the market from the Convention Centre. The market would serve as an attraction to visitors at the Convention Centre, and would in turn benefit from the tourist traffic.

A new city market could be an integral part of redevelopment plans for the southwest Boyle Street and Civic Centre sub-areas. Opening to the west on 97th Street, across from the southeast Civic Centre, and to the south onto the 101A Avenue Pedestrian Mall, the city market will have access to significant pedestrian traffic and could provide the varied services and amenities that are unique to such facilities within redeveloped inner core areas.

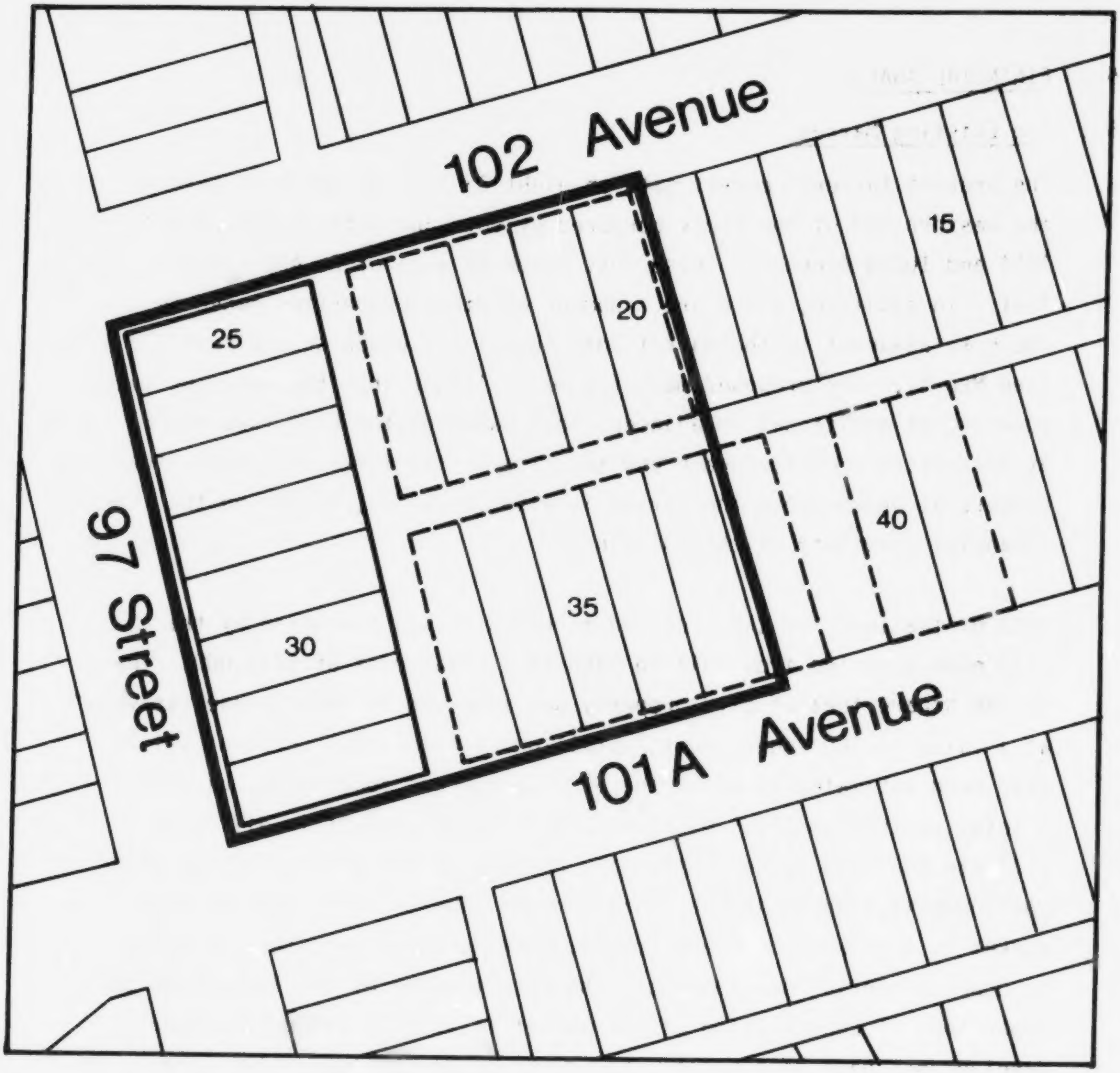
6.0 FINANCIAL ANALYSIS

6.1 The Existing Market

The present farmers' market sits on eight 33 feet by 100 feet lots on the western end of the block bordered by 96th and 97th Streets and 101A and 102nd Avenues. These lots cover an area of 26,400 square feet. In addition, there are a number of other properties owned by the city adjacent to the market lots totalling 50,386 square feet (see Map 5). The proposed market site is larger than the existing site, covering an additional 10 adjacent lots owned by the City (see Map 5). By increasing the site space and the size of the market building, the commercial space above the market is also increased, assisting the financial viability of the building.

Most of the land for the proposed market site was purchased by the city over a period from 1944 to 1968 at a total cost of $244,000. The 76,786 square feet of city property was assessed in 1979 "conservatively" at a value of $60/square foot, totalling $4.6 million. Present values have been estimated to be in the $150-300/square foot range, giving a total worth from $11.5 million to $23.0 million. It is difficult to estimate the land value of the site because of the phasing of the other developments planned in the vicinity (see Section 5.2). If the city market is a cornerstone development, with construction starting prior to other potential developments, the market value of the land would be lower than if construction of the market is started after the other developments have been built. For this reason the land values are presented in a range.

The existing market building covers 17,442 square feet and was completed in 1965 at a cost of $368,653. Of this, $276,493 (75%) was financed by a 25-year debenture at 5 3/4%, with annual payments close to $21,000 terminating in 1989. Appendix A3 contains the original bylaw (No. 2513) issuing debentures of $350,000 to pay for construction of the market building.


102 Avenue
101A Avenue
97 Street
15
20
25
30
35
40

MAP 5

Municipal Property in the Vicinity of the City Market

▭ CITY'S FARMERS MARKET

⬚ OTHER CITY OWNED PROPERTY

▣ PROPOSED CITY MARKET SITE

The remaining 25% of construction costs were financed in part by a provincial grant ($53,498) and in part from the Public Works Reserve Fund ($38,662).

The financial position of the market in the last six years has been one of a significant deficit. Table 6.1 shows operating expenses for the market for 1977-81, broken down into expenditure categories. Labour costs, including salaries, overhead, and overtime, have consistently been the largest proportion of operating costs, ranging from 39% to 54%. Capital costs have been constant throughout the period, varying from 14% to just over 25% of total expenses. Aside from utilities, which accounted for roughly 10% of costs, the other categories of expenditures have been somewhat erratic. Maintenance and supplies varied from less than $3,000 in 1977 to a high of $42,212 in 1980, the year in which approximately $20,000 was spent to repair the building's. Insurance and advertising as well have varied but account for only a small portion of total expenses. Annual square footage costs ranged from $4.66 in 1977 to $8.26 in 1980.

Revenue over the 1977-81 period, shown in Table 6.2, rose from a value of $54,488.92 in 1977 to $90,466.62 in 1981. In all years except 1980, the largest proportion of revenues came from rental of temporary stalls accounting for just over half. In terms of space allocation, temporary stall space which incorporates the common areas occupies 12,056 square feet or about 70% of the building total. Permanent stall rentals, at 5,386 square feet or 30%, ranged from $23,963.69 in 1977 to $38,218.44 in 1981. The rental schedule for both temporary and permanent stalls in 1981 is shown in Table 6.3. Average annual rent per square foot from permanent stalls is about $7.

TABLE 6.1

Operating Expenses of the Existing Market
1977-81
(Current Dollars)

	1977		1978		1979		1980		1981	
	($)	(%)	($)	(%)	($)	(%)	($)	(%)	($)	(%)
Labour	43,539.17	53.6	46,347.40	44.2	49,832.61	45.7	55,458.03	38.51	57,772.70	46.9
Utilities	12,583.43	15.5	12,079.85	11.5	9,911.00	9.0	15,549.24	10.8	20,605.46	16.7
Maintenance & Supplies	2,871.49	3.5	23,558.11	22.5	24,668.02	22.6	42,211.55	29.3	17,857.20	14.6
Insurance	1,500.00	1.9	200.00	.2	-	-	1,607.14	1.1	1,225.00	1.0
Advertising	103.31	.1	2,000.00	1.9	4,025.00	3.7	8,529.94	6.0	4,984.10	4.0
Capital Charges	20,678.96	25.4	20,678.96	19.7	20,678.96	18.95	20,648.75	14.34	20,679.00	16.8
Total	81,276.36	100.0	104,854.36	100.0	109,115.58	100.0	144,004.65	100.0	123,123.46	100.0
Annual Cost per Sq Ft	4.66		6.01		6.26		8.26		7.06	

TABLE 6.2

Revenue and Net Revenue Sources for the Existing Market, 1977-81
(Current dollars)

	1977	1978	1979	1980	1981
Permanent Stalls	23,963.69	24,631.49	29,467.54	36,125.44	38,218.44
Temporary Stalls	30,598.90	31,322.40	46,432.40	34,546.35	50,248.18
Provincial Grants				2,033.00	2,000.00
Error Adjustment	(73.62)	(299.45)	(102.90)	(185.83)	-
Total Revenue	54,488.92	55,654.44	75,897.04	72,518.96	90,466.62
Total Operating Expenses	(81,276.36)	(104,854.36)	(109,115.58)	(144,004.65)	(123,123.46)
Net Revenue	(26,787.44)	(49,199.92)	(33,218.54)	(71,485.69)	(32,656.84)

TABLE 6.3

Market Rental Rates

Temporary Stalls:

Weekdays	With shelving	$ 2.00 per day
	Without shelving	1.50 per day
Weekends	With shelving	4.00 per day
	Without shelving	2.25 per day

Permanent Stalls:

Betty's Fruit Basket	$785.00 per month
Prince Rupert Fish	886.25 per month
Italian Meats	701.87 per month
Hinse Poultry	503.75 per month
Market Dairy Bar	278.00 per month

Note: The temporary stalls are not rented all the time.

Net revenue, the difference between operating income and costs, has consistently been in a large deficit position. Net losses were $26,787.44 in 1977, and have fluctuated over the years to reach a high of $71,485.69 in 1980.

There is very little variation in the seasonal incidence of revenues though the spring season consistently generates the largest proportion of annual revenue. Expenditures as well do not vary significantly, although capital charges are accounted for at the year's end.

6.2 Financial Viability of the Market

A redeveloped city market on the present site stands the greatest chance of financial viability if a new building is constructed on an enlarged site. The design being considered is described in Section 5.1. Briefly, the building would be restricted to eight storeys due to zoning regulations, with the top seven floors as commercial space,[1] the bottom floor comprising the city market, a basement storage space, and below this, parking for 200 vehicles. Each floor would consist of 35,000 square feet which gives a commercial total of 245,000 square feet, market area of 35,000 square feet. Storage space of 17,500 square feet can be incorporated. The market area is further divided into 11,000 square feet of permanent stall space, 7,000 square feet of snack/fast-food space, and 17,000 square feet of temporary stall space (see Section 5.1).

The numbers used in this financial analysis should be treated as indications only, not as detailed estimates. The city market concept is still in the initial planning phase at this stage and detailed cost estimates cannot be obtained until architectural specifications have been completed.

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[1] Although residential development is being encouraged in the Boyle Street McCauley Area Redevelopment Plan, the Plan permits only limited residential development in the Old Market Mall Sub-Area. For this reason, it is likely the space above the market will be commercial space.

The financial analysis carried out in this section is based on five scenarios developed through variations in the financial data and assumptions outlined below. Wherever possible, values are quoted in 1982 dollars. Financial assumptions are summarized in Table 6.4. Capital costs were estimated by the Property Development Branch of the City's Real Estate and Housing Department and total $29.5 million for the building excluding servicing costs, consulting fees and furnishings. It is assumed that capital costs are funded by a 20-year debenture from the Alberta Municipal Finance Corporation (A.M.F.C.). As of April 1, 1982, A.M.F.C. subsidizes municipal funding for the first five years of the debenture, and for the remaining fifteen years of the debenture the municipality pays the market rate of interest. Presently the City would pay a subsidized rate of 11% for the first five years and a market rate of 16.5% for the remaining fifteen years of the debenture term. This amounts to an effective rate of 15.17% over the life of the debenture. The provincial government changes the subsidized debenture rates on an irregular basis, thus there may be changes to the A.M.F.C. rate of interest at the time the city market is constructed.

Janitorial costs would be provided by contract for a new market building. These costs were estimated by Real Estate and Housing's Property Administration Branch as $22,000 per month for the entire building. This works out to $1.68/square foot. Operation costs, including salaries, utilities, taxes, insurance, and advertising, were estimated to be $5.00/square foot in 1981 and $5.50 in 1982; the latter figure is used in the analysis.

Revenue assumptions and calculations are summarized in Table 6.4. Market information indicates that net rental rates for commercial space in the city market area in 1982 will be $14/square foot. This figure is exclusive of any operation and maintenance costs, which must be added on to get a gross rental rate. Including these costs at $7.18/square foot, the commercial space (245,000 square feet) could be expected to generate $21.18/square foot or $5,189,100 per year.

TABLE 6.4

Financial Assumptions

(1982 Dollars)

Capital Costs[1] (exclusive of land)

Market	35,000 sq.ft. @ $150/sq.ft.	= $ 5.25 million
Commercial	245,000 sq.ft. @ $ 80/sq.ft.	= $19.60 million
Storage	17,500 sq.ft. @ $ 60/sq.ft.	= $ 1.05 million
Parking	200 stalls @ $18,000/stall	= $ 3.60 million
	Total	= $29.5 million

Operations and Maintenance

Janitor service contract	$1.68/sq.ft.
Operations costs	$5.50/sq.ft.
Total	$7.18/sq.ft.

Revenue

Commercial Space: net rental rate	$14.00/sq.ft.
Operations and maintenance	$ 7.18/sq.ft.
Total	$21.18/sq.ft.

Permanent Stalls and Fast Food Shops:

Assume $12.00/sq.ft.

Temporary Stalls:

1) 150 8-foot tables at $6 per table/day
2) full Saturdays
3) 2/3 full Tuesday-Friday

Parking: It is assumed parking will pay for itself inclusive of any operations costs.

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[1] *These estimates should be treated as preliminary only. Detailed cost estimates cannot be made until architectural specifications have been drawn up.*

Operation and maintenance costs for the market and the basement are assumed to be paid for out of income from the revenue-generating market floor (although some rental could be charged for storage space). This implies that $10.77/square foot must be earned on the market floor. A value of $12/square foot is assumed for the permanent stalls and fast-food/snack shops. This equals the rate charged in Seattle for prime market space and is a significant increase over the $7/square foot now earned from permanent stallholders in the existing city market. These rates are conservative relative to other rates in Edmonton and will allow the market management to be selective in their choice of tenants. The permanent shops and fast-food/snack shops will be expected to pay for relaxation and socializing space in their vicinity, a practise used in some malls in the city. This will raise the square footage cost of their effective space above $12/square foot.

Revenue from temporary stall space requires a more complex derivation. First, it is assumed the Edmonton market would allow for the same amount of table frontage per unit of space as the Kitchener market, for which figures are available. The Kitchener market has 254 four-foot tables contained in a 14,820 square-foot area. Applying this ratio to the 17,000 square feet of space allocated in a new city market for temporary stalls gives a figure of 150 eight-foot tables. Revenue is calculated on a per table-foot basis. Examination of charges at other markets reveals a $1/table-foot charge at Kitchener and $0.25/table-foot charge at the Seattle market. A value of $.75/table-foot is used in the Edmonton city market analysis. This generates $6 per day for an eight-foot table. There are several assumptions concerning stall capacity utilization.[1] It is assumed that capacity could be fully utilized on Saturdays but only two thirds during a four-day week (Tuesday-Friday). This leaves room for a lower capacity utilization over a five-day week. These rates are to be considered as averages over the year balancing out higher harvest-season use. These assumptions lead to rental of 23,400 tables over the course of a year and at $6 per table this would amount to an annual revenue of $171,600.

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[1] *Stall capacity utilization assumptions are based on the experiences of other markets with stall utilization.*

Parking, at an estimated cost of $18,000 per stall, is assumed to generate enough revenue to pay for its annual amortized cost. This assumption implies that after accounting for monthly rentals, each stall must generate about $4.50 in revenue per day. This could reasonably be achieved given the expected degree of utilization of the city market and the demand for parking that would be generated by proposed developments in the vicinity of the market.

There are two different interest rates applied throughout the twenty year debentures obtained through A.M.F.C. (i.e. 11% for the first five years and 16.5% for the remaining fifteen years). To incorporate the effect of these two different interest rates, two tables are provided for each of the five scenarios given below. The first table examines the financial cost components and net position for the first five years of the debenture, while the second table provides a financial examination of the last fifteen years. The alternate method, use of the effective rate of interest over the twenty year debenture term (i.e. 15.17%) was not applied at the request of the Real Estate and Housing Department.

6.2.1 Scenario 1: Incorporation of Land, Capital and Operation and Maintenance Costs

Scenario 1 indicates how the city market would fare if it was redeveloped and expected to recoup all economic costs with no grants or subsidies beyond the partially subsidized debenture from A.M.F.C.

The rationale for incorporating land value is that the use of the land does have an economic cost, even though the City has already paid for its acquisition. This economic cost of the use of the land can be thought of as a foregone opportunity. It is the cost attributable to doing one thing (using the land for the city market) rather than doing another (selling the land). Historical land costs cannot be assigned to the value of the land because they do not reflect this foregone opportunity cost and because they should not be amortized over the future.

Tables 6.5a and 6.5.b incorporate land costs of $225/square foot.[1]

Net income for the first five years of the debenture term amounts to a loss of $1,879,600 per year. During this five year period the yearly surplus generated from the commercial space cannot offset the yearly deficits generated from the market, basement storage area and land cost (see Table 6.5a).

The net yearly loss on the market portion of the building for the first five years would amount to just over a half million dollars, inclusive of all capital and operating costs. If basement storage space is accounted for, the loss would total three quarters of a million dollars. This net loss is partially balanced by a surplus from the commercial section of the building. This surplus arises from the net rental rate of $14/square foot minus the subsidized amortization cost of $10.05/square foot, a value of $3.95/square foot. Over the 245,000 square feet of commercial area this equals $967,750. This is the amount of subsidy from the commercial space that could be applied to the city market costs in the first five years of each scenario.

Financial analysis for the last fifteen years of the debenture term is provided in Table 6.5b. During this period net annual losses would total $3,893,020 or about twice the yearly loss incurred in the first five years. Yearly net loss on the market and storage area would exceed

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[1] *This is the mid-point of the estimated range of the land value. Estimated value of the land is between $150-300/square foot (see Section 6.1).*

TABLE 6.5a

Scenario 1: Incorporation of Land, Capital, and Operation and Maintenance Costs for the First Five Years of Debenture Term

(1982 Dollars)

	Area (Sq.Ft.)	Capital Cost/Sq.Ft. ($)	Total Cost ($MM)	Annual Amortized Cost/Sq.Ft.[1] ($)	Janitor Contract Cost/Sq.Ft. ($)	Operation & Maintenance Cost/Sq.Ft. ($)	Total Annual Cost ($)	Total Annual Revenue ($)	Net Position ($)
Land	73,130	225	16.45	28.26	-	-	2,066,650	-	(2,066,650)
Market	35,000	150	5.25	18.84	1.68	5.50	910,700	216,000(p)[3] 171,600(t)	(523,100)
Storage	17,500	60	1.05	7.54	1.68	5.50	257,600	-[4]	(257,600)
Commercial	245,000	80	19.60	10.05	1.68	5.50	4,221,350	5,189,100[5]	967,750
Parking[2] (below grade)	200 stalls	18,000	3.60	2260	-	-	452,000	452,000[6]	-
Totals	297,500		45.95				7,908,300	6,028,700	(1,879,600)

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[1] Debenture from AMFC @ 11% over first five years.

[2] Unit costs are per stall.

[3] (p) refers to revenue generated from 18,000 square feet of permanent stall space, (t) refers to revenue generated from 17,000 square feet of temporary stall space.

[4] Some revenue may be generated from rental of storage space.

[5] Lease cost of $14/square foot plus all Operations and Maintenance or $14 + $7.18 = $21.18/square foot for commercial space.

[6] Parking is assumed to pay for itself.

TABLE 6.5b

Scenario 1: Incorporation of Land, Capital, and Operation and Maintenenace Costs for the Final Fifteen Years of Debenture Term

(1982 Dollars)

	Area (Sq.Ft.)	Capital Cost/Sq.Ft. ($)	Total Cost ($MM)	Annual Amortized Cost/Sq.Ft.[1] ($)	Janitor Contract Cost/Sq.Ft. ($)	Operation & Maintenance Cost/Sq.Ft. ($)	Total Annual Cost ($)	Total Annual Revenue ($)	Net Position ($)
Land	73,130	225	16.45	38.96	-	-	2,849,300	-	(2,849,300)
Market	35,000	150	5.25	25.98	1.68	5.50	1,160,600	216,000(p)[3] 171,600(t)	(773,000)
Storage	17,500	60	1.05	10.39	1.68	5.50	307,475	-[4]	(307,475)
Commercial	245,000	80	19.60	13.85	1.68	5.50	5,152,350	5,189,100[5]	36,750
Parking[2] (below grade)	200 stalls	18,000	3.60	3117	-	-	623,400	623,400[6]	-
Totals	297,500		45.95				10,093,120	6,200,100	(3,893,020)

---

[1] Debenture from [illegible] @ 16.5% over last 15 years.

[2] Unit costs are per stall.

[3] (p) refers to revenue generated from 18,000 square feet of permanent stall space, (t) refers to revenue generated from 17,000 square feet of temporary stall space.

[4] Some revenue may be generated from rental of storage space.

[5] Lease cost of $14/square foot plus all Operations and Maintenance or $14 + $7.18 = $21.18/square foot for commercial space.

[6] Parking is assumed to pay for itself.

one million dollars. With the loss of the subsidized interest rate on the debenture, the commercial area becomes considerably less profitable. Net annual profit of the commercial area is $36,750, a decline in profitability of about 95% from the first five years of the debenture term.

6.2.2 Scenario 2: Incorporation of Capital and Operating and Maintenance Costs

Net income calculations in this scenario include all capital and operating costs but not land (see Tables 6.6a and 6.6b). Implicit in this scenario is a full accounting for capital costs, again with no grants and subsidies beyond that available to the city for the first five years of an A.M.F.C. debenture.

In this scenario, land costs are not included because they are treated as sunk costs. A sunk cost is a cost incurred in the past and excluded from an analysis of future costs and revenues. A cost that has already been incurred does not affect the profitability of future investment decisions.

Table 6.6a shows the net profitability of the market to be $187,050 annually for the first five years of the debenture term. This figure is simply net income from Table 6.5a minus imputed land costs of just over $2 million.

Table 6.6b illustrates that in the final fifteen years of the debenture term an annual loss of $1,043,725 is anticipated. The loss of the A.M.F.C. subsidy has resulted in the facility's loss of profitability.

TABLE 6.6a

Scenario 2: Incorporation of Capital and Operating and Maintenance Costs for the First Five Years of Debenture Term

(1982 Dollars)

	Area (Sq.Ft.)	Capital Cost/Sq.Ft. ($)	Total Cost ($MM)	Annual Amortized Cost/Sq.Ft.[1] ($)	Janitor Contract Cost/Sq.Ft. ($)	Operation & Maintenance Cost/Sq.Ft. ($)	Total Annual Cost ($)	Total Annual Revenue ($)	Net Position ($)
Market	35,000	150	5.25	18.84	1.68	5.50	910,700	216,000(p)[3] 171,600(t)	(523,100)
Storage	17,500	60	1.05	7.54	1.68	5.50	257,600	-[4]	(257,600)
Commercial	245,000	80	19.60	10.05	1.68	5.50	4,221,350	5,189,100[5]	967,750
Parking[2] (below grade)	200 stalls	18,000	3.60	2260	-	-	452,000	452,000[6]	-
Totals	297,500		29.50				5,841,650	6,028,700	187,050

---

[1] Debenture from AMFC @ 11% over first five years.

[2] Unit costs are per stall.

[3] (p) refers to revenue generated from 18,000 square feet of permanent stall space, (t) refers to revenue generated from 17,000 square feet of temporary stall space.

[4] Some revenue may be generated from rental of storage space.

[5] Lease cost of $14/square foot plus all Operations and Maintenance or $14 + $7.18 = $21.18/square foot for commercial space.

[6] Parking is assumed to pay for itself.

TABLE 6.6b

Scenario 2: Incorporation of Capital and Operating and Maintenance Costs for the Final Fifteen Years of Debenture Term

(1982 Dollars)

	Area (Sq.Ft.)	Capital Cost/Sq.Ft. ($)	Total Cost ($MM)	Annual Amortized Cost/Sq.Ft.[1] ($)	Janitor Contract Cost/Sq.Ft. ($)	Operation & Maintenance Cost/Sq.Ft. ($)	Total Annual Cost ($)	Total Annual Revenue ($)	Net Position ($)
Market	35,000	150	5.25	25.98	1.68	5.50	1,160,600	216,000(p)[3] 171,600(t)	(773,000)
Storage	17,500	60	1.05	10.39	1.68	5.50	307,475	-[4]	(307,475)
Commercial	245,000	80	19.60	13.85	1.68	5.50	5,152,350	5,189,100[5]	36,750
Parking[2] (below grade)	200 stalls	18,000	3.60	3117	-	-	623,400	623,400[6]	-
Totals	297,500		29.50				7,243,825	6,200,100	(1,043,725)

---

[1] *Debenture from AMFC @ 16.5% over last 15 years.*

[2] *Unit costs are per stall.*

[3] *(p) refers to revenue generated from 18,000 square feet of permanent stall space, (t) refers to revenue generated from 17,000 square feet of temporary stall space.*

[4] *Some revenue may be generated from rental of storage space.*

[5] *Lease cost of $14/square foot plus all Operations and Maintenance or $14 + $7.18 = $21.18/square foot for commercial space.*

[6] *Parking is assumed to pay for itself.*

6.2.3 Scenario 3: Net Income With a 25% Capital Grant

This scenario[1] includes a 25% grant against building capital costs for the market and basement portions. The rationale for including a scenario with a 25% grant is that this is the size of grant received by the existing market when it was constructed in 1965. The provincial government has stated it will give the City a grant, but it will not specify the amount of grant at this stage.

The capital grant would be applied to the $5.25 million cost of the city market and basement storage areas. Tables 6.7a and 6.7b show the subsidized capital charges for the market with the grant portions in the total cost column. Annual amortized capital charges for the market space would be reduced from $18.84/square foot to $14.14/square foot during the first five years of the debenture term, and from $25.98/square foot to $19.48/square foot during the final fifteen years of the debenture. Storage space costs are also reduced.

Net income to the market facility is $384,275 yearly over the first five years. Annual net losses are $770,725 over the remaining fifteen years.

6.2.4 Scenario 4: Net Income With a 50% Capital Grant

A scenario using a 50% capital grant for the market and basement storage area is provided in the event of the market obtaining a grant from the Major Cultural Recreation Facilities Development Program. This program which is discussed in detail in Section 7 below, can according to legislation provide up to a maximum of 50% of the capital cost of a recreational or cultural facility. The grant would only apply to the market and storage space, not the commercial space.

---

[1] *Land costs are not incorporated into the remaining scenarios as the Real Estate and Housing Department does not normally include the market value of land in their financial analyses. Historical acquisition costs are not included because they should not be amortized over the future, especially when they date back as far as 1944.*

TABLE 6.7a

Scenario 3: Net Income With a 25% Capital Grant for the First Five Years of the Debenture Term

(1982 Dollars)

	Area (Sq.Ft.)	Capital Cost/Sq.Ft. ($)	Total Cost ($MM)	Annual Amortized Cost/Sq.Ft.[1] ($)	Janitor Contract Cost/Sq.Ft. ($)	Operation & Maintenance Cost/Sq.Ft. ($)	Total Annual Cost ($)	Total Annual Revenue ($)	Net Position ($)
Market	35,000	150	3.94 (1.31)[7]	14.14	1.68	5.50	746,200	216,000(p)[3] 171,600(t)	(358,600)
Storage	17,500	60	.79 (.26)[7]	5.67	1.68	5.50	224,875	-[4]	(224,875)
Commercial	245,000	80	19.60	10.05	1.68	5.50	4,221,350	5,189,100[5]	967,750
Parking[2] (below grade)	200 stalls	18,000	3.60	2260	-	-	452,000	452,000[6]	-
Totals	297,500		27.93				5,644,425	6,028,700	384,275

---

[1] Debenture from AMFC @ 11% over first five years.

[2] Unit costs are per stall.

[3] (p) refers to revenue generated from 18,000 square feet of permanent stall space, (t) refers to revenue generated from 17,000 square feet of temporary stall space.

[4] Some revenue may be generated from rental of storage space.

[5] Lease cost of $14/square foot plus all Operations and Maintenance or $14 + $7.18 = $21.18/square foot for commercial space.

[6] Parking is assumed to pay for itself.

[7] Grant portions are bracketed.

TABLE 6.7b

Scenario 3: Net Income With a 25% Capital Grant for the Final Fifteen Years of Debenture Term

(1982 Dollars)

	Area (Sq.Ft.)	Capital Cost/Sq.Ft. ($)	Total Cost ($MM)	Annual Amortized Cost/Sq.Ft.[1] ($)	Janitor Contract Cost/Sq.Ft. ($)	Operation & Maintenance Cost/Sq.Ft. ($)	Total Annual Cost ($)	Total Annual Revenue ($)	Net Position ($)
Market	35,000	150	3.94 (1.31)[7]	19.48	1.68	5.50	933,100	216,000(p)[3] 171,600(t)	(545,500)
Storage	17,500	60	.79 (.26)[7]	7.79	1.68	5.50	261,975	-[4]	(261,975)
Commercial	245,000	80	19.60	13.85	1.68	5.50	5,152,350	5,189,100[5]	36,750
Parking[2] (below grade)	200 stalls	18,000	3.60	3117	-	-	623,400	623,400[6]	-
Totals	297,500		27.93				6,970,825	6,200,100	(770,725)

---

[1] *Debenture from AMFC @ 11% over first five years.*

[2] *Unit costs are per stall.*

[3] *(p) refers to revenue generated from 18,000 square feet of permanent stall space, (t) refers to revenue generated from 17,000 square feet of temporary stall space.*

[4] *Some revenue may be generated from rental of storage space.*

[5] *Lease cost of $14/square foot plus all Operations and Maintenance or $14 + $7.18 = $21.18/square foot for commercial space.*

[6] *Parking is assumed to pay for itself.*

[7] *Grant portions are bracketed.*

During the first five years of the debenture term, net income would amount to $582,725 annually. Table 6.8a shows that annual capital charges for the market and storage area would be halved in terms of the no-grant situation. This would lead to annual market losses of just under $400,000, which is less than half of the surplus generated from the commercial space of $967,750.

Financial information on the effect of a 50% capital grant for the market and storage space for the final fifteen years of the debenture term is shows in Table 6.8b. With the loss of the provincial interest rate subsidy, the profitability of the commercial space has been sufficiently reduced to result in a net annual loss. Net losses from the building would run into a yearly deficit position of $498,250.

6.2.5 Scenario 5: Incorporation of Operation and Maintenance Costs Only

This scenario includes only operation and maintenance costs or what amounts to a 100% grant or write-off against all capital costs for the market portion of the building ($5.25 million). In other words the City of Edmonton would decide that because a city market provides broader social benefits to the City than is reflected in the amount of revenue generated by the market, capital costs of the market and storage space need not be recouped. Examples of these other benefits include increased business volume obtained by other businesses in the vicinity of the market, the link the market provides with the past, and its function as a tourist attraction.

In this scenario annual costs would include $7.18/square foot applied to the market portions and the same commercial area values that have been maintained throughout the analysis.

For the first five years of the debenture term, a net surplus would show for the market section of the building, amounting to just over $10,000 (see Table 6.9a). With inclusion of the surplus from the commercial

TABLE 6.8a

Scenario 4: Net Income With a 50% Capital Grant for the First Five Years of Debenture Term

(1982 Dollars)

	Area (Sq.Ft.)	Capital Cost/Sq.Ft. ($)	Total Cost ($MM)	Annual Amortized Cost/Sq.Ft.[1] ($)	Janitor Contract Cost/Sq.Ft. ($)	Operation & Maintenance Cost/Sq.Ft. ($)	Total Annual Cost ($)	Total Annual Revenue ($)	Net Position ($)
Market	35,000	150	2.63 (2.63)[7]	9.42	1.68	5.50	581,000	216,000(p)[3] 171,000(t)	(193,400)
Storage	17,500	60	.53 (.53)[7]	3.77	1.68	5.50	191,625	-[4]	(191,625)
Commercial	245,000	80	19.60	10.05	1.68	5.50	4,221,350	5,189,100[5]	967,750
Parking[2] (below grade)	200 stalls	18,000	3.60	2260	-	-	452,000	452,000[6]	-
Totals	297,500		26.36				5,445,975	6,028,700	582,725

---

[1] Debenture from AMFC @ 11% over first five years.

[2] Unit costs are per stall.

[3] (p) refers to revenue generated from 18,000 square feet of permanent stall space, (t) refers to revenue generated from 17,000 square feet of temporary stall space.

[4] Some revenue may be generated from rental of storage space.

[5] Lease cost of $14/square foot plus all Operations and Maintenance or $14 + $7.18 = $21.18/square foot for commercial space.

[6] Parking is assumed to pay for itself.

[7] Grant portions are bracketed.

TABLE 6.8b

Scenario 4: Net Income With a 50% Capital Grant for the Final Fifteen Years of Debenture Term

(1982 Dollars)

	Area (Sq.Ft.)	Capital Cost/Sq.Ft. ($)	Total Cost ($MM)	Annual Amortized Cost/Sq.Ft.[1] ($)	Janitor Contract Cost/Sq.Ft. ($)	Operation & Maintenance Cost/Sq.Ft. ($)	Total Annual Cost ($)	Total Annual Revenue ($)	Net Position ($)
Market	35,000	150	2.63 (2.63)[7]	12.99	1.68	5.50	705,950	216,000(p)[3] 171,600(t)	(318,350)
Storage	17,500	60	.53 (.53)[7]	5.20	1.68	5.50	216,650	-[4]	(216,650)
Commercial	245,000	80	19.60	13.85	1.68	5.50	5,152,350	5,189,000[5]	36,750
Parking[2] (below grade)	200 stalls	18,000	3.60	3117	-	-	623,400	623,400[6]	-
Totals	297,500		26.36				6,698,350	6,200,100	(498,250)

---

[1] *Debenture from AMFC @ 16.5% over last 15 years.*

[2] *Unit costs are per stall.*

[3] *(p) refers to revenue generated from 18,000 square feet of permanent stall space, (t) refers to revenue generated from 17,000 square feet of temporary stall space.*

[4] *Some revenue may be generated from rental of storage space.*

[5] *Lease cost of $14/square foot plus all Operations and Maintenance or $14 + $7.18 = $21.18/square foot for commercial space.*

[6] *Parking is assumed to pay for itself.*

[7] *Grant portions are bracketed.*

TABLE 6.9a

Scenario 5: Incorporation of Operation and Maintenance Costs Only for the First Five Years of Debenture Term

(1982 Dollars)

	Area (Sq.Ft.)	Capital Cost/Sq.Ft. ($)	Total Cost ($MM)	Annual Amortized Cost/Sq.Ft.[1] ($)	Janitor Contract Cost/Sq.Ft. ($)	Operation & Maintenance Cost/Sq.Ft. ($)	Total Annual Cost ($)	Total Annual Revenue ($)	Net Position ($)
Market	35,000	150	(5.25)[7]	0	1.68	5.50	251,300	216,000(p)[3] 171,600(t)	(136,300)
Storage	17,500	60	(1.05)[7]	0	1.68	5.50	125,650	-[4]	(125,650)
Commercial	245,000	80	19.60	10.05	1.68	5.50	4,221,350	5,189,100[5]	967,750
Parking[2] (below grade)	200 stalls	18,000	3.60	2260	-	-	452,000	452,000[6]	-
Totals	297,500		23.20				5,050,300	6,028,700	978,400

---

[1] *Debenture from AMFC @ 11% over first five years.*

[2] *Unit costs are per stall.*

[3] *(p) refers to revenue generated from 18,000 square feet of permanent stall space, (t) refers to revenue generated from 17,000 square feet of temporary stall space.*

[4] *Some revenue may be generated from rental of storage space.*

[5] *Lease cost of $14/square foot plus all Operations and Maintenance or $14 + $7.18 = $21.18/square foot for commercial space.*

[6] *Parking is assumed to pay for itself.*

[7] *Grant portions are bracketed.*

area, net income from the building would be $978,400.

A small surplus is also shown during the next fifteen years, amounting to $47,400 annually (see Table 6.9b).

6.2.6 Conclusion

It should be emphasized that figures used in this analysis can only be considered as 'ball-park' estimates. Due to the early stage of redevelopment of the city market, only tentative calculations and conclusions can be made. It also should be noted that where grants are referred to, the implication is that either funds are appropriated from some source external to the city (provincial, federal) and applied directly to the cost of construction, or municipal authorities deem it unnecessary for the market to recoup all capital costs and this shortfall is made up with funds from other municipal revenue sources. In addition, support funds may come in either a direct form as grants applied to capital costs in a lump sum or as annual subsidies applied to costs.

Values used in the analysis are 'first year' values; no account has been taken for inflation. Briefly, future prospects for net income would be more favourable than shown since capital costs are a fixed-cost payment. If rental rates keep pace with increases in operation and maintenance costs, clearly with constant capital charges the net revenue position would improve.

In terms of the scenarios outlined, it appears that a complete write-off of capital costs or amortization charges is required for the building to show an annual net positive income.

It is important to note that before A.M.F.C. changed its policy of subsidizing interest rates for the full debenture term to only a five year subsidy, the financial analysis was significantly different. With the loss of A.M.F.C. subsidy the commercial space drops in profitability

TABLE 6.9b

Scenario 5: Incorporation of Operation and Maintenance Costs Only for the Final Fifteen Years of Debenture Term

(1982 Dollars)

	Area (Sq.Ft.)	Capital Cost/Sq.Ft. ($)	Total Cost ($MM)	Annual Amortized Cost/Sq.Ft.[1] ($)	Janitor Contract Cost/Sq.Ft. ($)	Operation & Maintenance Cost/Sq.Ft. ($)	Total Annual Cost ($)	Total Annual Revenue ($)	Net Position ($)
Market	35,000	150	(5.25)[7]	0	1.68	5.50	251,300	216,000(p)[3] 171,600(t)	136,300
Storage	17,500	60	(1.05)[7]	0	1.68	5.50	125,650	-[4]	(125,650)
Commercial	245,000	80	19.60	13.85	1.68	5.50	5,152,350	5,189,100[5]	36,750
Parking[2] (below grade)	200 stalls	18,000	3.60	3117	-	-	623,400	623,400[6]	-
Totals	297,500		23.20				6,152,700	6,200,100	47,400

---

[1] *Debenture from AMFC @ 16.5% over last 15 years.*

[2] *Unit costs are per stall.*

[3] *(p) refers to revenue generated from 18,000 square feet of permanent stall space, (t) refers to revenue generated from 17,000 square feet of temporary stall space.*

[4] *Some revenue may be generated from rental of storage space.*

[5] *Lease cost of $14/square foot plus all Operations and Maintenance or $14 + $7.18 = $21.18/square foot for commercial space.*

[6] *Parking is assumed to pay for itself.*

[7] *Grant portions are bracketed.*

by about 95%, drastically reducing the subsidy this space could provide to the market portion of the building. With subsidized A.M.F.C. funding for the full debenture term a grant of 50% against amortization charges for the market portion was required for the building to show a surplus.

7.0 IMPLEMENTATION

Mechanisms for implementing the Edmonton city market program are explored in this section. Implementation of the market program requires a look at the current and capital budgets for the market and sources of financing for these expenditures. In constant dollars, current budget expenditures are $376,950 for janitorial work and operation and maintenance costs.[1] Operating revenues are $387,600 per year, for a net operating surplus of $10,650 per year. This does not include promotional costs. Grants up to $4,000 per year are available through the Commodity Branch of Alberta Agriculture, for promotional and advertising expenses. The City must match these grants, but full advantage should be taken of them given the need for promotional activities for the city market.

Capital costs for the city market are estimated to be $5.25 million,[2] excluding servicing costs, consulting fees, and furnishings. There are five methods by which all or a portion of these costs can be financed. These are summarized below:

i) Debentures

Debentures can be used to finance all or a portion of capital costs not covered by grants. Debenture financing is done through the Alberta Municipal Corporation which offers subsidized interest rates to municipalities in the province. A.M.F.C. debentures can only be used if the city market is owned and developed by the city. As of April 1982, A.M.F.C. provides a subsidized interest rate for the first five years of the debenture term, after which the municipality faces financing costs based on a market rate of interest. A.M.F.C. interest rates are periodically adjusted by the provincial government. In April 1982, interest rates through A.M.F.C. for a 20-year debenture are 11%, compared with a rate of 16.5% on the open market.

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[1] *Includes operation and maintenance costs for the market and the basement.*

[2] *These are preliminary estimates only. Further architectural specifications are required before detailed cost estimates can be made.*

ii) Provincial Grants

The Department of Agriculture of the Alberta Government has intimated grant funds are available if the City is redeveloping its market, although they do not commit themselves to a level of funding. Once the City of Edmonton has made a commitment to redeveloping the city market, this suggestion should be pursued with Alberta Agriculture.

Another likely source of provincial grant funding is the major Cultural/Recreation Facility Development Program (MCR). This program is administered by Edmonton Parks and Recreation Department. It provides financial assistance for capital construction of public cultural/recreation facilities, on a cost-sharing basis. The Edmonton city market would qualify for these funds as the market definitely has a cultural component and could come under the special projects category of the MCR program. The Edmonton Parks and Recreation Advisory Board has established a priority for funds to be allocated to City-owned and City-operated public facilities, and the city market qualifies for this priority.

Although the MCR program provides grants for up to 50% of the capital cost of a facility, in 1981 the Advisory Board established a maximum grant guideline of $250,000. To obtain these funds a needs study for the facility must be done and an application must be made. Since this study demonstrates the need for the facility, a grant application could be submitted once the city market concept has been approved. The 1982 funds under this program have been spoken for, and an application must be made in 1982 to obtain funds for 1983. This grant program is being terminated by the provincial government in 1984.

iii) Sale or Lease of Adjacent Land

In addition to the land on which the proposed Edmonton market is to be located, the City owns property on adjacent lots.[1] This property totals 12.078 square feet and is worth $1.8 to $3.6 million at market land values.[2] This land could be sold to pay for a portion of the capital cost of a redeveloped city market. Or if the City wishes to maintain possession of this land, it could be leased to a private developer for a 30-year period and the lease funds applied to the amortized capital cost of the market.

iv) A Joint Venture With a Private Developer

Co-operative development between the City of Edmonton and a private developer could facilitate the provision of a city market. The present market site would be made available on a lease basis to the developer, who in turn would construct the new market facility and commercial space according to the Real Estate and Housing Department's specifications. The City would then lease back the first floor of the market from the developer at favourable terms.

Because the site has a prime location, lease costs and concessions negotiated from the developer could result in a situation financially beneficial to the market; also the City of Edmonton would not be required to make the large capital investment needed for the facility.

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[1] See Map 5. The adjacent lots referred to are lots 38, 40 and 41.

[2] Based on a range of market values between $150 and $300 per square foot. Market value for the land will depend on when the city market is developed in relation to other developments (see 6.1 above).

In summary, there are a number of alternative means of obtaining monies for the city market. Prior to undertaking the construction of a new city market facility, each of these sources of finance should be examined in detail as they will affect the financial viability of the new city market.

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EDMONTON. REAL ESTATE
& HOUSING.
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THE EDMONTON
CITY **MARKET** STUDY

APPENDIX
AND BACKGROUND

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THE CITY OF Edmonton REAL ESTATE AND HOUSING

PREPARED BY:
HLA CONSULTANTS

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THE EDMONTON CITY MARKET STUDY
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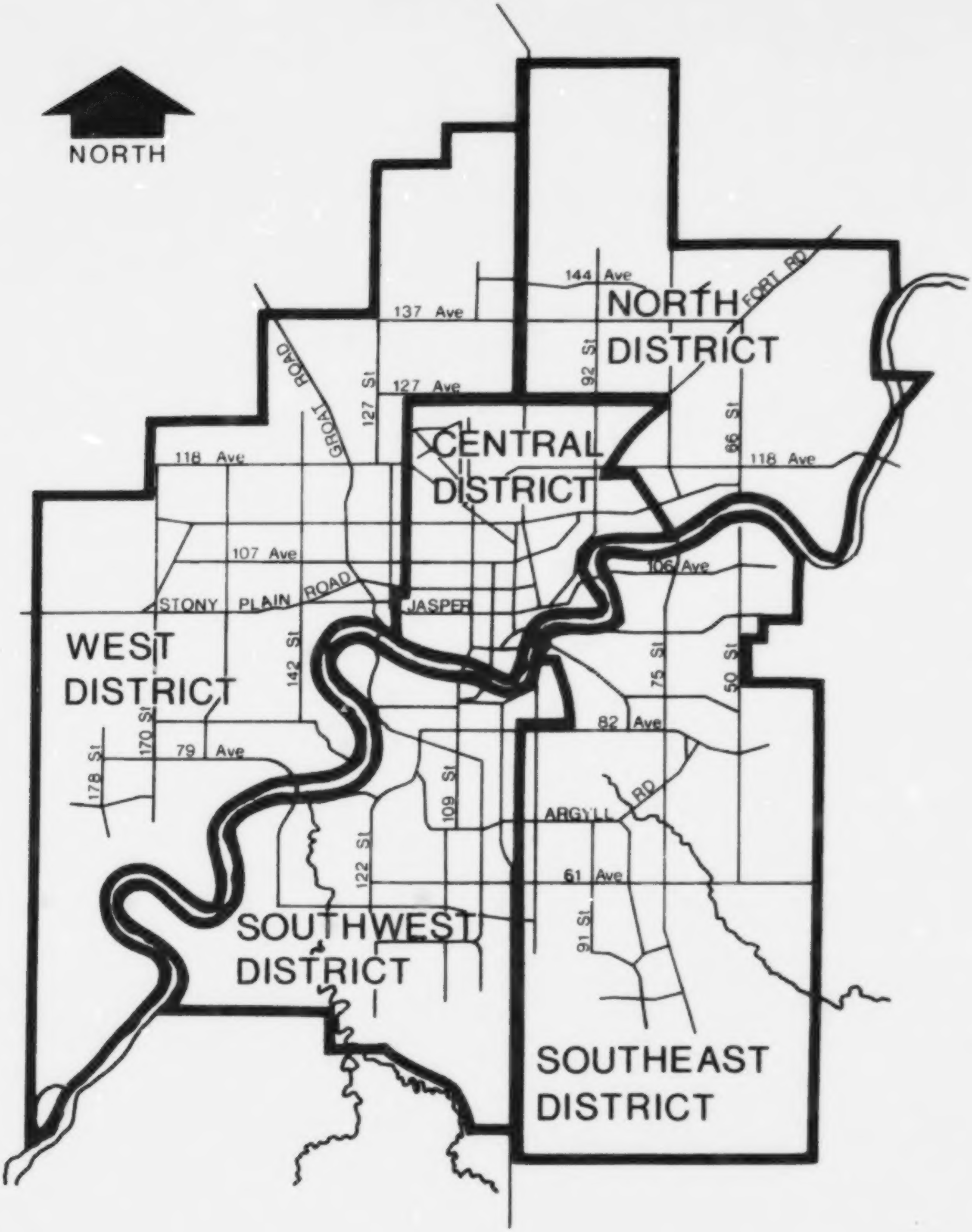
APPENDIX A.1

Household Survey and Patrons Survey Methodology

Two surveys of consumers were conducted: a general household survey and a survey of market patrons. The household survey attained 500 completed telephone interviews and the patrons survey attained 200 interviews between the months of June to September, 1981. This enabled data to be collected throughout the spring and harvest season, the times when the farmers' market is most heavily used. Construction of both questionnaires was undertaken by the consultant and reviewed by Real Estate and Housing Department. Both surveys used two callbacks if the respondent could not be reached on the first call. Survey results were processed using S.P.S.S.

The household survey obtained information from both market users and non-users. Using a random start, a systematic sample of households in Edmonton was drawn from the Edmonton Street Address Numerical Directory. The sample was stratefied by the five City districts (see Map 1). Five hundred completions were obtained, prorated among the districts according to calculated statistical proportioning.

The patrons survey was conducted to ensure reliable information was generated on market users, as the proportion of the household population using the market was likely to be small. Patrons were approached at the market and asked if they would be willing to be surveyed by telephone later in the week. Approximately 200 patrons were surveyed.


NORTH
144 Ave
137 Ave
127 Ave
118 Ave
107 Ave
106 Ave
82 Ave
79 Ave
61 Ave
FORT RD
GROAT ROAD
STONY PLAIN ROAD
JASPER
ARGYLL RD
127 St
92 St
66 St
142 St
75 St
50 St
170 St
178 St
109 St
122 St
91 St
NORTH DISTRICT
CENTRAL DISTRICT
WEST DISTRICT
SOUTHWEST DISTRICT
SOUTHEAST DISTRICT

MAP 1

FIVE EDMONTON DISTRICTS

HOUSEHOLD SURVEY

Hello. My name is ____________________ and I am working on a survey for the City of Edmonton. (IF A CHILD ANSWERS, ASK TO SPEAK TO HIS PARENT).

The City is planning either 1 or 2 new Farmers' Markets or changes to make the existing market more suitable to you. We are interested in hearing your opinions even if you don't visit the Farmers' Market. Do you have 15 minutes to answer some questions? (IF NO, ASK IF YOU COULD CALL BACK AT A MORE SUITABLE TIME.)

1. Have you heard of the Edmonton Farmers' Market?

______________ Yes ______________ No (GO TO CASE 2)

2. Have you visited the downtown Edmonton Market in the past year?

______________ Yes (GO TO CASE 1) ______________ No (GO TO CASE 2)

(IF THEY HAVE ONLY VISITED THE CLARKE MARKET, GO TO CASE 2)

Case 1: Have visited Market in the past year

3. How often do you shop at the downtown Farmers' Market in spring?

____

4. What sorts of things do you buy at the Market in the spring season?

____

____

5. How often do you shop at the downtown Farmers' Market in summer and fall?

____

6. What sorts of things do you buy at the Market in summer and fall?

____

____

7. What do you like about the downtown Farmers' Market?

____

____

____

Case 1: Continued....

8. What do you dislike about the present Farmers' Market in this city?

____

____

____

9. I will read you a list of the types of goods that could be sold at a City Farmers' Market. Could you tell me if there should be more emphasis on these types of goods, less emphasis on these goods or if there is enough emphasis now.

	More Emphasis	Less Emphasis	Enough Emphasis
Fruits			
Plants and flowers			
Vegetables in season			
Vegetables out of season and imported			
Meat, fish and chicken			
Home preserves and baking			
Ethnic foods			
Handicrafts and art			

10. Now I am going to read you another list. How important are the following to increasing your use of the Market; very important, somewhat important, or not important?

	Very Important	Somewhat Important	Not Important
Market open on Sundays and evenings			
Year-round operation			
Outdoor booths and stalls			
Better parking			
Location closer to home			
More attractive market			
Greater variety of food products			
Greater variety of handicrafts			
Restaurants in market			
Special events like garden show, harvest festivals and art shows			
Advertising what is happening at the market			

Case 1: Continued....

11. Is there something not mentioned above that would increase your use of the City Market or make it more enjoyable?

12. Is the present location convenient for you?

_______________ (Yes or No)

13. If there was another location for the Farmers' Market, where do you think it should be located?

14. By what means of transportation did you get to the Farmers' Market?

15. Do you shop or eat in stores close to the Farmers' Market?

16. Which stores do you visit? (TYPES OF STORES)

17. Do you shop at any Farmers' Markets outside of the City?

_______________ Yes _______________ No

Could you tell me which Markets, and why you shop at these Markets?

Which	Why
_______________	_______________
_______________	_______________
_______________	_______________

Case 1: Continued...

Now I would like to ask you some questions about yourself. This information will be kept confidential and only used for statistical purposes.

18. In which neighbourhood or community do you live? (ASK Q. 19 IF NO ANSWER GIVEN TO Q. 18)

____

19. What is the street and avenue number of the intersection closest to your home?

________ Street ________ Avenue

20. Do you come to the Farmers' Market alone or with family and friends?

________ Alone ________ Family and Friends

The next question will allow us to check how representative our sample is compared to the average Edmonton population.

21. What are the ages and sex of all members of your household, including yourself?

AGE	SEX

AGE	SEX

22. Are there any other comments you would like to make about the Farmers' Market?

____

____

____

____

Thank you for answering these questions. The information you gave me will be kept confidential and used to help plan the Edmonton Market.

Case 2: Haven't Visited Downtown Market in Past Year, or Don't Know About the Market

A Farmers' Market is a marketplace where producers sell directly to the public. Farmers from the region surrounding Edmonton gather at the Market to sell their vegetables, fruits, plants, handicrafts and so on.

3. Would you be interested in doing some of your shopping at a Farmers' Market?

____________ Yes ____________ No

3.a IF NO, ASK IF THERE IS ANY REASON WHY. (GO TO QUESTION 10)

____

____

____

4. I will read you a list of goods that could be sold at a Farmers' Market. Could you tell me what sort of emphasis you think should be placed on these goods in a Farmers' Market; much emphasis, some emphasis or little emphasis?

	Much Emphasis	Some Emphasis	Little Emphasis
Fruits	________	________	________
Plants and flowers	________	________	________
Vegetables in season	________	________	________
Vegetables out of season and imported	________	________	________
Meat, fish and chicken	________	________	________
Home preserves and baking	________	________	________
Ethnic foods	________	________	________

The downtown Edmonton Market is presently located in a building on 102 Avenue and 97 Street. The building contains a number of permanent stores selling such things as fruits, vegetables, fish and chicken. These stores are open through the week. The farmers and producers gather for Market day on Saturdays. The Market opens at about 7:00 a.m. on Saturdays and starts to slow down about noon.

5. Now I am going to read you another list. How important are the following in getting you to use the Edmonton Farmers' Market: very important, somewhat important, or not important?

	Very Important	Somewhat Important	Not Important
Market open on Sundays and evenings	________	________	________
Year-round operation	________	________	________
Outdoor booths and stalls	________	________	________
Better parking	________	________	________
Location closer to home	________	________	________
More attractive market	________	________	________
Greater variety of food products	________	________	________
Greater variety of handicrafts	________	________	________
Restaurants in market	________	________	________
Special events like garden show, harvest festivals and art shows	________	________	________
Advertising what is happening at the market	________	________	________

6. Is there something not mentioned above that would encourage your use of the City Market or make it more enjoyable?

____

____

7. Do you shop at any Farmers' Markets outside of the City?

__________ Yes __________ No

Could you tell me which Markets, and why you shop at these Markets?

Which	Why
____________________	____________________
____________________	____________________
____________________	____________________

As I mentioned before, the Edmonton Market is located downtown at 102 Avenue and 97 Street.

8. Is this location convenient for you?

______________ Yes ______________ No

9. If there was another location for the Edmonton Market, where do you think it should be located?

____

____

Now I would like to ask you some questions about yourself. This information will be kept confidential and only used for statistical purposes.

10. In which neighbourhood or community do you live? (ASK Q. 11 IF NO ANSWER GIVEN TO Q. 10.)

____

11. What is the street and avenue number of the intersection closest to your home?

The next question will allow us to check how representative our sample is compared to the average Edmonton population.

12. What are the ages and sex of all members of your household, including yourself?

AGE	SEX

AGE	SEX

13. Are there any other comments you would like to make about the Farmers' Market?

____

____

____

Thank you for answering these questions. The information you gave will be kept confidential and used to help plan the Edmonton Market.

PATRON'S SURVEY

Hello. Can I speak to ______________________. My name is ______________ and I am working for the City of Edmonton. Last Saturday morning at the Farmers' Market we asked you if we could survey you about the market. Do you have 15 minutes to answer a few questions and give us your opinion on the Farmers' Market?

(IF NO, ask what would be a suitable time to call back)

The purpose of the survey is to give the City information which will help plan either 1 or 2 new markets or changes to make the existing market more suitable for you.

Now for the questions.

1. How often do you shop at the Farmers' Market in spring.

   ____

2. What sorts of things do you buy at the Market in the spring season?

   ____

   ____

   ____

3. How often do you shop at the Farmers' Market in summer and fall?

   ____

4. What sorts of things do you buy at the market in summer and fall?

   ____

   ____

5. What do you like about the Farmers' Market?

   ____

   ____

6. What do you dislike about the present Farmers' Market in this city?

____

____

____

7. I will read you a list of the types of goods that could be sold at a city Farmers' Market. Could you tell me if there should be more emphasis on these types of goods, less emphasis on these goods or if there is enough emphasis now.

	More Emphasis	Less Emphasis	Enough Emphasis
Fruits			
Plants and Flowers			
Vegetables in season			
Vegetables out of season and imported			
Meat, fish and chicken			
Home preserves and baking			
Ethnic foods			
Handicrafts and art			

8. Now I am going to read you another list. How important are the following to increasing your use of the Market; very important, somewhat important, or not important?

	Very Important	Somewhat Important	Not Important
Market open on Sundays and evenings			
Year round operation			
Outdoor booths and stalls			
Better parking			
Location closer to home			

	Very Important	Somewhat Important	Not Important
More attractive market			
Greater variety of food products			
Greater variety of handi-crafts			
Restaurants in market			
Special events like garden show, harvest festivals and art shows			
Advertising what is happening at the market			

9. Is there something not mentioned above that would increase your use of the City Market or make it more enjoyable?

10. Is the present location convenient for you?

____________ (Yes or No)

11. If there was another location for the Farmers' Market, where do you think it should be located?

12. By what means of transportation did you get to the Farmers' Market?

13. Do you shop or eat in stores close to the Farmers' Market?

14. Which stores do you visit? (types of stores)

Now I would like to ask you some questions about yourself. This information will be kept confidential and only used for statistical purposes.

15. Do you shop at any Farmers' Markets outside of the City? ________(Yes or No)
(IF YES) Could you tell me which Markets and why you shop at these Markets?

Which	Why

16. In which neighbourhood or community do you live? (Ask Q 17 if no answer given to Q 16)

____

17. What is the street and avenue number of the intersection closest to your home?

__________street __________avenue

18. Do you come to the Farmers' Market alone or with family and friends?

________ Alone ________ Family and Friends

The next question will allow us to check how representative our sample is compared to the average Edmonton population.

19. What are the ages and sex of all members of your household, including yourself?

AGE	SEX

AGE	SEX

20. Are there any other comments you would like to make about the Farmers' Market?

"How often do you visit the Edmonton Farmers' Market?"

Frequency of Visits	In Spring Season	In Harvest Season
	(Percent of Respondents)[1]	
Weekly	25	27
Every two weeks	17	19
Monthly	32	19
Not regularly	18	22
Never	9	12
	100%[2]	100%

---

[1] *Percentage base is the number of people surveyed who have visited the Edmonton Farmers' Market in the past year.*

[2] *Percentage figures in all tables may not add to 100 because of rounding.*

"What sorts of things do you buy at the Market?"

Types of Purchases	In Spring[1] Season	In Harvest[1] Season
Vegetables	32	49
Mushrooms	4	2
Fruit	6	9
Meat	3	1
Chicken	4	5
Fish	4	4
Bedding plants	24	1
Flowers	9	8
Houseplants	3	2
Eggs	6	10
Honey	3	4
Home Baking/Preserves	1	1
Handicrafts	1	2
Other	1	1
	100%	100%

[1] *Percentage base is responses from respondents who have visited the Edmonton Market in the past year.*

"By what means of transportation did you get to the Farmers' Market?"

Method	Percent of Respondents[1]
Personal vehicle	75
Bus, LRT	17
Bicycle	2
Walking	5
	100%

[1] *Percentage base is the number of people surveyed who have visited the Edmonton Market in the past year.*

"Do you come to the Market alone or with family and friends?"

	Percent of Respondents[1]
Alone	27
Family and friends	63
Both	10
	100%

[1] *Percentage base is the number of people surveyed who have visited the Edmonton Market in the past year.*

"What do you like about the downtown Farmers' Market?"

	Percent of Responses[1]
Overall experience[2]	52
Fresh produce	16
Variety of goods	9
Market atmosphere	6
Good prices	5
Friendly people	3
Quality of goods	2
Fresh eggs	1
Other	7
	100%

[1] *Percentage base is number of responses from those people surveyed who have visited the Edmonton Market in the past year.*

[2] *Includes browsing, family outing and the overall experience of shopping at a Farmers' Market.*

"What do you dislike about the downtown Farmers' Market?"

	Percent of Responses[1]
Inadequate parking	32
Too crowded	21
Too small	15
Location	12
Not enough variety of goods	5
Days of operation	4
No price tags	1
Smells and sights	1
Other	10
	100%

[1] *Percentage base is number of responses from those people surveyed who have visited the Edmonton Market in the past year.*

Geographic Distribution of Market Patrons and City Residents

Area of City	Percent of Patrons	Adjusted Percent of Patrons[1]	Percent of City Residents[2]
North	15	16	19
Central	19	21	13
West	17	19	30
Southwest	18	20	20
Southeast	22	24	18
Sherwood Park	1	-	-
St. Albert	1	-	-
Unknown	7	-	-
	100%	100%	100%

---

[1] *Adjusted to exclude respondents from areas designated out of Edmonton and unknown.*

[2] *Based on 1981 Edmonton Civic Census data.*

"Would you be interested in doing some of your shopping at a Farmer's Market?"

	Percent of Respondents[1]
Yes	85
No	15
	100%

---

[1] *Percent base is those respondents surveyed who had not visited the Edmonton Market in the past year.*

Indications why some people are not interested in doing any of their shopping at a Farmer's Market

	Percent of Respondents[1]
Not convenient	21
I grow all I need	19
I don't buy much	13
Transportation problems	13
Too busy	9
Relatives supply me	2
Other	23
	100%

---

[1] *Percentage base is number of respondents who have not visited a Market in the past year and are not interested in doing any of their shopping at a Market.*

"Indicate the degree of emphasis that should be placed on various types of goods"

Type of Goods	More Emphasis	Less Emphasis	Enough Emphasis	Total
	(Percent of Respondents)[1]			
Fruits	70	3	27	100%
Plants and flowers	18	7	74	100%
Vegetables in season	40	1	58	100%
Vegetables out of season and imported	51	16	32	100%
Meat, fish and chicken	41	3	56	100%
Home preserves and baking	53	14	33	100%
Ethnic foods	60	11	28	100%
Handicrafts and art	33	17	49	100%

---

[1] *Percentage base is the number of people surveyed who have visited the Edmonton Farmers' Market in the past year.*

Indicate the degree of emphasis that should be placed on various goods

Type of Goods	Much Emphasis	Little Emphasis	Some Emphasis	Total[1]
		(Percent of Respondents)		
Fruits	80	16	4	100%
Plants and flowers	27	50	23	100%
Vegetables in season	96	3	1	100%
Vegetables out of season and imported	26	49	25	100%
Meat, fish, and chicken	53	34	13	100%
Home preserves and baking	40	42	17	100%
Ethnic foods	22	47	31	100%

---

[1] *Percentage base is number of respondents who have not visited the Market in the past year.*

"Indicate the degree of importance of the following to increasing your use of the Market"

Factors	Very Important	Somewhat Important	Not Important	Total
	(Percent of Respondents)[1]			
Market open on Sundays and evenings	37	18	44	100%
Year-round operation	44	33	23	100%
Outdoor booths and stalls	32	35	33	100%
Better parking	77	9	14	100%
Location closer to home	35	15	50	100%
More attractive market	23	32	46	100%
Greater variety of food products	40	36	24	100%
Greater variety of handicrafts	16	30	55	100%
Restaurants in market	22	29	49	100%
Special events	33	41	26	100%
Advertising on the market	52	29	20	100%

[1] *Percentage base is the number of people surveyed who have visited the Edmonton Market in the past year.*

"Indicate the degree of importance of the following to increasing your use of the Market"

Factors	Very Important	Somewhat Important	Not Important	Total[1]
	Percent of Respondents			
Market open on Sundays and evenings	45	28	27	100%
Year-round operation	51	39	10	100%
Outdoor booths and stalls	28	42	30	100%
Better parking	81	14	5	100%
Location closer to home	64	22	14	100%
More attractive Market	37	35	29	100%
Greater variety of food products	62	29	9	100%
Greater variety of handicrafts	16	43	41	100%
Restaurants in Market	11	34	55	100%
Special events	20	48	32	100%
Advertising on the Market	64	29	7	100%

[1] *Percentage base is number of respondents who have not visited the Market in the past year.*

"Is the present location convenient for you?"

Response	Market Patrons[1]	Non Users
Yes	71	41
No	29	59
	100%	100%

[1] *Market patron is defined as a respondent who has visited the Market in the past year.*

"Indicate the preferred alternate location for the Farmers' Market"

Location	Market Patrons[1]	Non Users[2]
Downtown	28	10
Northside	17	19
Westside	9	15
Southside	34	27
Eastside	5	3
Southeast	7	5
Don't Know	-	21
	100%	100%

[1] *Percentage base is the number of people surveyed who have visited the Edmonton Market in the past year.*

[2] *Percentage base is the number of people surveyed who have not visited the Market in the past year.*

"In which neighbourhood or community do you live?"

Area of City	Percent of Respondents[1]
North	21
Central	17
West	23
Southwest	19
Southeast	19
	100%

---

[1] *Percentage base is respondents who have not visited the Edmonton Market in the past year.*

APPENDIX A.2

Producers' Survey Methodology

The Edmonton farmers' market management provided a listing of stallholders using the Edmonton market. Of the 55 stallholders, 44 were contacted and telephone interviews were completed, two were contacted but not interviewed as they could not speak English, one no longer sold at the Edmonton market and eight could not be contacted.

For those not contacted, an average of five callbacks were made.

Discussions with Alberta Agriculture indicated there were two major producers in the Edmonton vicinity who did not use the Edmonton market. Both of these producers were contacted and responded to a telephone interview.

STALLHOLDERS QUESTIONNAIRE

Location Code ________

Hello. Can I speak to ______________________. My name is ____________________ and I am working for the City of Edmonton. The City is doing a study of its downtown Farmers' Market. Do you have 15 minutes to answer a few questions to give us your opinions on the Edmonton Market? (IF NO, ASK WHAT WOULD BE A SUITABLE TIME TO CALL BACK).

The purpose of this survey is to give the City information which will help plan either 1 or 2 new markets or changes to make the existing market more suitable to you. Both the sellers and the customers who use the Market will be surveyed.

Now for the questions.

1. How often do you sell your goods at the downtown Edmonton Farmers' Market in spring?

   ____

2. (ASK ONLY IF THEY USE THE MARKET IN SPRING) What do you sell at the Market in the spring season?

   ____

   ____

   ____

3. How often do you sell your goods at the downtown Edmonton Farmers' Market in the harvest season?

   ____

4. (ASK ONLY IF THEY USE THE MARKET IN HARVEST SEASON) What do you sell at the Market in the harvest season?

   ____

   ____

   ____

5. Do you sell goods at the Edmonton Market any other time of the year?

   ________ Yes ________ No

   What do you sell? (WHEN DO YOU SELL IT)

What:	When:
____________________	____________________
____________________	____________________
____________________	____________________

6. Are the goods you sell at the Market produced by you and your family, or are they produced by others?

_____________________ Self and Family ___________________ Others

7. What do you like about selling your goods at the Edmonton Farmers' Market?

____

____

____

8. How would you rate the following facilities at the Edmonton Farmers' Market: good, fair, or poor?

	Good	Fair	Poor
amount of counter space per stall	____	____	____
height of counter space	____	____	____
total amount of rental space available	____	____	____
amount of space behind counters	____	____	____
loading facilities	____	____	____
amount of storage space	____	____	____
refrigeration facilities	____	____	____
width of aisles for buyers	____	____	____

9. Are there any facilities not mentioned that do not meet your needs?

____________ Yes __________ No

(IF YES) What doesn't meet your needs?

____

____

____

10. Now I am going to read you another list. How important are the following to making the Market a better place for you to sell your goods: Very important, somewhat important, or not important?

	Very Important	Somewhat Important	Not Important
market opon on Sundays or evenings	______	______	______
year-round operation	______	______	______
outdoor booths and stalls	______	______	______
better parking	______	______	______
a new location closer to home	______	______	______
a more attractive Market	______	______	______
special events like garden shows and harvest festivals	______	______	______
more people attending the Market	______	______	______
no change in stall rental costs	______	______	______
better facilities for stallholders	______	______	______
advertising what is happening at the Market	______	______	______
restaurants in the Market	______	______	______

11. Do you sell your goods at the Clarke Stadium Farmers' Market?

____________ Yes ____________ No

12. Do you sell your goods at any Farmers' Markets other than the Edmonton markets?

____________ Yes ____________ No

(IF YES) Which other Markets?

____

____

13. Is there anything you don't now sell at the Edmonton Markets but you would like to sell?

_____________ Yes _____________ No

(IF YES) What would you like to sell? Why don't you sell it now?

____

____

14. Is the present downtown location in Edmonton convenient for you?

_____________ Yes _____________ No

15. If there was another location for the Edmonton Market, where do you think it should be?

____

____

16. If another Edmonton Farmers' Market opened at a location closer to your home, would you sell only at the present location or sell at both locations?

________________ new location only

________________ at present location only

________________ at both locations

The next question is being asked to give us an idea of how important the Edmonton Market is to selling your goods.

17. What proportion of all the income to your operation comes from your sales at the Edmonton Markets, including the downtown and Clarke Stadium Markets?

___________ 0 - 10

___________ 11 - 25

___________ 26 - 50

___________ 51 - 75

___________ 76 - 100

The next two questions are being asked to give us an indication of how important the Market is to businesses in the area.

18. Do you shop or eat in stores close to the Farmers' Market.

_______________ Yes _______________ No

19. Which type of stores do you visit?

____

____

____

20. Are there any other comments you would like to make about the Edmonton Farmers' Market?

____

____

____

Thank you for your help. The information you gave us will remain confidential and we will use it to help us in planning.

"How often do you sell your goods at the downtown Edmonton Farmers' Market?"

Frequency	In Spring	In Harvest Season
At least once per week	88	93
At least every two weeks	-	-
Once per month	-	-
Occasionally	-	-
Never	12	7
	100%	100%

"What sorts of things do you sell at the Market?"

Types of Goods	In Spring Season	In Harvest Season
Vegetables	12	31
Mushrooms	2	-
Bedding plants	32	5
Flowers	5	8
Houseplants	12	18
Honey	4	5
Home baking/preserves	4	5
Handicrafts	23	25
Other	5	4
	100%	100%

"What goods do you sell at the Edmonton Market at other times of the year?"

Type of Goods	Percent of Responses
Produce	54
Mushrooms	4
Houseplants	10
Flowers	4
Cheese	2
Honey	4
Baked goods/preserves	4
Handicrafts	19
	100%

"Do you sell your goods at other Farmers' Markets?"

	Yes	No	Total
Clarke Stadium Market	12	88	100%
Markets outside	22	78	100%

"At which other Markets do you sell your goods?"

Market	Percent of Respondents
Capilano Mall	36
Bon Accord	9
Sherwood Park	18
Leduc	9
Other	27
	100%

"What do you like about selling your goods at the Edmonton Market?"

Response	Percent of Responses
Meeting people	22
Good business profits	25
Convenient retail outlet	19
Good atmosphere	14
Enjoyable to do	8
Maintaining the family business tradition	3
Direct contact with customer	7
Selling fresh and quality produce	1
	100%

"What proportion of all the income to your operation comes from your sales at both Edmonton Markets?"

Percent of Income	Percent of Respondents
0 - 10	5
10 - 25	10
25 - 50	20
50 - 75	13
75 - 100	53
	100%

"Indicate your rating of the facilities at the Edmonton Market[1]"

Facility	Good	Fair	Poor	Not Applicable	Total
Amount of counter space per stall	64	31	5	-	100%
Height of counter space	43	24	33	-	100%
Total amount of rental space available	27	56	17	-	100%
Amount of space behind counters	45	33	21	-	100%
Loading facilities	22	17	61	-	100%
Amount of storage space	40	29	31	-	100%
Refrigeration facilities	-	5	2	93	100%
Width of isles for buyers	46	29	24	-	100%

---

[1] *Information from a survey of stallholders using the downtown Edmonton farmers' market.*

"Are there any facilities not mentioned above that do not meet your needs?"[1]

	Percent of Respondents
Yes	61
No	39
	100%

---

[1] *Results from a survey of stallholders using the downtown Edmonton farmers' market.*

"What other facilities don't meet your needs?"[1]

Facilities	Percent of Responses
Parking	25
Electrical outlets	2
Platforms to stand on/counter heights	12
Not enough customers	5
Poor management	2
Restrictions on use of stalls and floors	14
Market location	2
Storage space	4
Other	11
Nothing	24
	100%

---

[1] *Results from a survey of stallholders using the downtown Edmonton farmers' market.*

"Indicate how important the following are to making the Market a better place for you to sell your goods.[1]"

Factor	Very Important	Somewhat Important	Not Important	Total
Market open on Sundays or evenings	10	20	71	100%
Year round operation	54	27	20	100%
Outdoor booths and stalls	22	20	59	100%
Better parking	90	7	3	100%
Location closer to home	7	13	80	100%
More attractive Market	18	43	40	100%
Special events	22	66	12	100%
More people attending the Market	56	39	5	100%
No change in stall rental costs	41	49	10	100%
Better facilities for stallholders	29	29	41	100%
Advertising the Market	71	20	10	100%
Restaurants in the Market	46	39	15	100%

---

[1] *Results from a survey of stallholders using the downtown Edmonton farmers' market.*

"Is there anything you don't now sell at the Edmonton Market but you would like to sell?"

Response	Percent of Respondents
Yes	27
No	73
	100%

[1] *Results from a survey of stallholders using the downtown Edmonton farmers' market.*

"What else would you like to sell?"

Type of Goods	Percent of Respondents
Produce	27
Bedding plants	9
Herbs	9
Dairy products	9
Handicrafts	27
Fertilizer	9
Home preserves/baking	9
	100%

"Is the present downtown location in Edmonton convenient to you?"

Response	Percent of Respondents
Yes	90
No	10
	100%

"If there was another location for the Edmonton Market, where do you think it should be?"

Location	Percent of Respondents
Downtown	63
Westside	2
Southside	5
Northside	7
Eastside	2
Southeast	2
Don't know	17
	100%

"If another Edmonton Farmers' Market opened at a location closer to your home, where would you sell?"

Response	Percent of Respondents
New location only	10
Present location only	48
Both locations	43
	100%

APPENDIX A.3

Local Business Survey Methodology

The business survey sample consisted of 38 businesses, approximately 60% of the retail and service oriented firms within roughly a three-block radius of the farmers' market.

The largest proportion of firms represented are those in the retail store category, excluding food and grocery outlets.

BUSINESS SURVEY QUESTIONNAIRE

Hello, my name is ______________, and I work for the City of Edmonton. The City is considering redeveloping the Farmers' Market. Do you have a few minutes to give us some of your opinions on the Edmonton market. (IF NOT, ASK WHAT WOULD BE A SUITABLE TIME TO CALL BACK).

The purpose of this survey is to determine how important the market is to the businesses in your area. This information will assist the City in planning one or two new markets or developing the existing market.

All the information you give us will be kept confidential. The name of your business will not be connected with any information presented in our report.

1. In what type of business are you engaged?

   (IF NAME INDICATES TYPE OF BUSINESS, DON'T ASK THIS QUESTION).

   1. restaurant __________
   2. other hospitality (hotel, bar) __________
   3. grocery/food store __________
   4. other retail trade store __________
   5. wholesale trade store __________
   6. gas service station __________
   7. other service store (shoe repair, barber) __________
   8. other (specify) ______________________________

      ____

2. Are your customers mostly:

   1. people from the neighbourhood __________
   2. business people working in the area __________
   3. shoppers from outside the area __________
   4. other (specify) ______________________________

      ____
   5. don't know __________

3. Does having the Farmers' Market in your district have any positive benefits for your business?

Yes ________ No ________

(PROBE FOR REASON WHY)

____

____

____

4. Do you feel that the Farmers' Market is an important part of this area's business community?

Yes ________ No ________

(PROBE FOR REASON WHY)

____

____

____

5. Does the market compete in any way with your business?

Yes ________ No ________

(IF YES) In what ways does the market compete with you?

____

____

____

6. The City is considering redevelopment of the market. From your point of view, what improvements if any could be made to the market so it would attract more people.

(LIST)

____

____

____

7. The City is also considering the possibility of moving the market to another location. If the market were to move would it have an impact on your business?

Yes _________ No _________

(PROBE FOR REASON WHY)

____

____

____

8. To get an indication of expected business conditions in the area we would like to ask you another question.

Over the next two years do you expect your business volume to:

1. Increase? ____________
2. Decrease ____________
3. Remain constant? ____________

(PROBE FOR REASON WHY)

____

____

____

9. Do you have any comments you would like to make about the Farmers' Market now, or about any redevelopment of the Market?

Yes _________ No _________

____

____

____

Thank you for taking the time to answer this survey.

"In what kind of business are you engaged?"

	Percent of Responses
Restaurant	10
Other hospitality	2
Grocery/food store	12
Other retail store	39
Wholesale store	7
Gas station	5
Other service store	12
Other	2
	100%

"From where do most of your customers come?"

	Percent of Responses
People from the neighbourhood	34
Business people working in the area	25
Shoppers from outside the area	37
Don't know	5
	100%

"Over the next two years do you expect your business volume to:"

	Percent of Responses
Increase	58
Decrease	11
Remain constant	16
Don't Know	16
	100%

"Why do you expect your business volume to change?"

	Percent of Responses
Business has been steadily rising	19
Area population has been growing	16
Dependent on opening of Jasper Avenue	19
New area redevelopments in downtown core	22
Limited parking	0
Business turnover remaining constant	3
Other	6
Don't Know	16
	100%

"Do you feel that the Farmers' Market is an important part of this area's business community?"

	Percent of Responses
Yes	76
No	8
Don't Know	16
	100%

"Does having the Farmers' Market in your district have any positive benefits for your business?"

	Percent of Responses
Yes	61
No	37
Don't Know	3
	100%

"Does the market compete in any way with your businesses?"

	Percent of Responses
Yes	6
No	92
Don't Know	3
	100%

"Which type of stores do you visit?"

Type of Stores	Percent of Respondents (Stallholders)
Department stores	37
Hardware stores	23
Chinatown/ethnic stores	3
Restaurants	18
Bakeries/delicatessens	5
Other	14
	100%

"Do you shop or eat in stores close to the Farmers' Market?"

Response	Percent of Respondents (Stallholders)
Yes	73
No	28
	100%

"Do you shop or eat in stores close to the Farmers' Market?"

	Percent of Respondents[1]
Yes	47
No	53
	100%

[1] *Percentage base is the number of people surveyed who have visited the Edmonton Market in the past year.*

"Which stores close to the Edmonton Market do you visit while shopping at the Market?"

	Percent of Responses[1]
Department stores	43
Hardware store	20
Restaurants	9
Chinese/ethnic stores	9
Bakeries	9
Other	9
	100%

[1] *Percentage base is number of responses from respondents who have visited the Market in the past year.*

"If the market were to move would it have an impact on your business?"

	Percent of Responses[1]
Yes	42
No	55
Don't Know	3
	100%

[1] *Percentage base is the number of area businesses surveyed.*

"From your point of view, what improvements if any could be made to the market so it would attract more people?"

	Percent of Responses [1]
More parking	22
Expand facility	29
Extension of hours	5
Design improvements	5
Other	15
No changes	5
Don't Know	19
	100%

[1] *Percentage base is the number of area businesses surveyed.*

"Any comments on market now or future redevelopment?"

	Number of Responses[1]	
		(%)
Farmers' Market should remain in central downtown area	16	(38)
Farmers' Market provides an important alternative retail food outlet	6	(14)
Relocate market	3	(7)
Expand facility	6	(14)
Expand hours	2	(5)
Improve downtown parking	5	(12)
Other	4	(10)
	42	100%

[1] *Percentage base is the number of area businesses surveyed.*

APPENDIX A.4

Bylaw No. 2513

1st READING June 29th. 1964.
2nd. "
3rd. "
FINALLY PASSED August 10th 1964.

BY-LAW NO. 2513

MICRO 158

A By-law to create a debt in the sum of $350,000.00 pursuant to Section 268a of The City Act, for the purpose hereinafter specified and to authorize the issue of Debentures for the said sum.

WHEREAS it is deemed expedient to construct a Public Market as part of a Civic Centre Development programme at an estimated net cost to the City of $ 350,000.00 ~~290,000.00~~; and

WHEREAS the City seeks authority pursuant to Section 268a of The City Act to create a debt, not payable within the current year, on the credit and security of the City at large, by the issue and sale of Debentures of a sum of $ 350,000.00 ~~290,000.00~~ to meet the cost of the foregoing works, repayable in the manner hereinafter described; and

WHEREAS the said indebtedness is to be repaid over a period of Twenty-five (25) years; and

WHEREAS the total amount of rateable assessment of lands, buildings and improvements and special franchises in the City according to the last revised assessment roll is $ 570,373,040.00; and

WHEREAS the total amount of the existing Debenture debt of the City is in the sum of $ 162,443,330.08 ~~158,[illegible]~~ and no part of the principal or interest thereof is in arrears.

NOW THEREFORE the Municipal Council of The City of Edmonton, duly assembled, enacts as follows:

1. For the purpose aforesaid, a debt in the sum of $ ~~250,000.00~~ 350.000.00 is hereby created and the Mayor and Treasurer of The City of Edmonton are hereby authorized, empowered and directed to borrow for the said purposes, in the name of, on behalf of and on the credit of The City of Edmonton, a sum or sums not exceeding in the aggregate the sum of $ ~~250,000.00~~ 350.000.00 and to issue one or more Debentures of the City for the sum or sums so borrowed and to carry out or to enter into a contract or contracts for the carrying out of the said works.

2. (1) The Debentures to be issued under this By-law shall be for the said sum of $ ~~250,000.00~~ 350.000.00, shall be dated the 1st day of June or such day as may be appropriate having regard to the date of the borrowing of the money, and subject to the right of redemption in advance of maturity as hereinafter set forth, shall be payable in Twenty-five (25) annual instalments of principal on the 1st day of June in each of the years 1965 to 1989 inclusive, the respective amounts of principal maturing in each of such years to be such that together with interest payable the total amount payable in each of such years shall be as nearly as possible equal.

(2) The Debentures maturing in each of such years shall bear interest at a rate not exceeding six per cent (6%) per annum payable annually on the 1st day of June in each year during the currency of the Debentures. The Debentures may have coupons attached thereto for the payment of interest and the Debenture may be in denominations of $ 1,000.00 or any multiple thereof.

3. The Debentures to be issued under this By-law shall be for the said sum of $ ~~250,000.00~~ 350.000.00, shall be dated upon such date as may be appropriate having regard to the date of the said loan, shall bear interest at a rate of interest not exceeding six per cent (6%) per annum and notwithstanding the provisions of Section 2, Sub-section 1, the Debentures to be issued may be repaid in Twenty-five (25) consecutive equal annual instalments of combined principal and interest payable on the 1st day of June in each year or on such day of such other month in each year as may be appropriate having regard to the date of the

borrowing, until the said sum of interest is fully paid.

4. (1) The Debenture or Debentures shall be in such form as may be approved by The Local Authorities Board of the Province of Alberta, shall be sealed with the Seal of the City and shall be signed by the Mayor or by some person authorized by bylaw to sign the same in his stead and by the City Treasurer or by some person authorized by bylaw to sign in his stead.

(2) The coupons attached to the Debentures shall be signed by the Mayor or such person authorized to sign in his stead and by the City Treasurer or such person authorized to sign in his stead.

(3) Provided that:

(a) The signature of the Mayor or such person authorized to sign in his stead on such Debentures may be engraved or lithographed thereon;

(b) The signatures of the Mayor and Treasurer or such persons authorized to sign in their steads respectively on such coupons may be engraved or lithographed thereon;

(c) The signature of the Treasurer or such person authorized to sign in his stead on the memorandum of registration of Debentures in the Debenture Register endorsed on the Debentures may be engraved or lithographed.

5. Principal and interest repaid by the City as hereinbefore provided shall be paid in Canadian funds at the principal office of the Canadian Imperial Bank of Commerce either in the City of Edmonton, in the Province of Alberta, or at the principal office in the City of Toronto, in the Province of Ontario.

6. There shall be levied and raised in each year of the currency of the Debentures hereby authorized the amount necessary to pay the principal and interest falling due in such year on such Debentures (after applying the revenues derived by way of special assessment, if any) by a rate sufficient therefor on all the ratable property in the City and collectible at the same time and in the same manner as other rates.

7. The said indebtedness is contracted on the credit and security of the City of Edmonton at large.

8. The net amount realized by the issue and sale of Debentures issued under this bylaw shall be applied for the purpose for which the indebtedness was created.

9. This bylaw shall not be given third reading and be finally passed until all requirements pursuant to Section 268a of the City Act have been complied with and a certificate to that effect has been filed by the City Clerk with the Local Authorities Board and until the authority of the Local Authorities Board for such Debenture borrowing has been secured pursuant to the Local Authorities Board Act.

READ a first time this 29TH day of JUNE A.D. 1964 :

READ a second time this 10th day of August A.D. 1964 :

READ a third time and finally passed this 10th day of August A.D. 1964 :

THE CITY OF EDMONTON

MAYOR

CITY CLERK

THE EDMONTON CITY MARKET STUDY
BACKGROUND

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THE EDMONTON CITY MARKET STUDY
BACKGROUND

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1.0 LITERATURE REVIEW

1.1 Consumer Demand

A review of the literature related to consumer use of farmers' markets indicates that limited research has been conducted in this area. Three publications, two on market use in Alberta and one on shopping habits, are relevant and are summarized below.

During the spring and summer of 1973, the Marketing Division of Alberta Agriculture undertook a study of consumer attitudes and usage patterns of farmers' markets.[1] The primary study objective was to obtain an understanding of consumer perceptions of farmers' markets. The study methodology was divided into two phases. A group of women was interviewed regarding their use and perceptions of the farmers' market. The opinions obtained from this phase were formulated into hypotheses to be tested in the second phase - a survey of shoppers in Edmonton, Lethbridge, Medicine Hat, Red Deer, Grande Prairie, Camrose, and Fort Saskatchewan. In addition, a further 100 responses were obtained from in-person interviews of market users on two Saturdays.

In phase one, a total of 28 women stratified by age and income were interviewed to obtain information on the Edmonton farmers' market. The following observations resulted:

1) There is a stronger loyalty to the concept of a farmers' market by older women than younger women.
2) It is important to differentiate between the image of the farmers' market and its products as being rural and fresh picked respectively, and the supermarket image of large producers and dated produce.
3) Users expect prices to be lower at a farmers' market.
4) A broad cross-section of the population visits the market, but regular users are ethnic or farm-oriented groups.

---

[1] *Faryna, Farmers' Markets in Alberta: A Study of Consumer Attitudes and Usage Patterns.*

The hypotheses derived from phase one were not well substantiated by the results. The major findings of the survey, phase two, are summarized below.

1) The present location of the Edmonton farmers' market was considered suitable to most users. There was also a potential for markets located in the northeast, northwest, and southern areas of the city.

2) The profile of users failed to reveal any specific market segment using the farmers' market more than another market segment. The household size, marital status, car ownership, and education of users varied greatly. Users were neither strictly ethnic nor farm-oriented people. The young supported the farmers' market concept as strongly as older users.

3) Farm-fresh quality produce was expected at the market.

4) Edmonton consumers were more likely to purchase vegetables from the stalls than from the permanent vendors, although the latter shops were viewed as an additional drawing card.

In addition to these general results, a number of specific results were obtained from the survey responses. The most important of these specific results are provided below.

1) Young users expressed greater satisfaction than older users. Older users disliked the location of the market more and complained more of parking problems than younger users.

2) Visiting the market appeared to be a family activity.

3) The majority of respondents purchased vegetables on a weekly basis and did not make bulk purchases for preserving or storage.

4) A larger percentage of users arrived by car than by bus or walking.

5) There was a greater propensity to shop at the market if the consumer lived close to it. Some shoppers, however, travelled almost any distance to get to the market.

6) The convenience of the downtown Edmonton market location was ranked high. Several customers, however, indicated interest in other locations.

7) Shopping at the market occurred mainly on Saturdays. Serious shoppers arrived early to pick the best produce.

8) The most important product at the farmers' market was vegetables. Over half of the 1973 respondents felt the prices at the market were lower than supermarket prices. Taste of the goods purchased at the market and the ability to pick from a bulk supply were important aspects of buying at the market.

9) The importance of product sales at the farmers' market in 1973 was ranked as follows:

    - vegetables
    - bedding plants
    - eggs
    - meat and fish
    - poultry
    - house plants
    - health foods (from the Health Food Store)
    - handicrafts.

10) The major reasons given for shopping at the farmers' market were freshness and quality of products, and the friendly ethnic atmosphere of the market.

11) Non-users stated that lower prices and the natural, home-grown produce would be important if they used the market.

12) Forty-seven percent of past market users no longer shopped at the market because of parking problems.

13) Edmonton customers expressed little preference among open air markets, markets housed in a facility, roadside stands, or pick-your-own operations. A market in a building was preferred by those who had a preference.

In her 1973 study entitled, "Farmers' Markets in Alberta: A Study of Consumer Attitudes and Usage Patterns," Paulette Faryna inferred several recommendations on the basis of the study findings. These include:

1) that produce stalls be operated during the summer months in the northwest and southern ends of Edmonton, to relieve traffic congestion and parking problems at the downtown site
2) that an advertising and promotional campaign be undertaken to inform users and non-users of available products and their prices
3) that a separate and distinct personality of the market be cultivated to sufficiently distinguish it from other retail outlets
4) that the facilities be kept clean and modern but the rustic atmosphere be preserved through design rather than good presentation
5) that top quality products be consistently marketed to preserve the reputation of the market, in particular, for eggs and poultry
6) that a slight price differential relative to supermarket products may encourage additional patronage, although the overall market image should be more important.

The surveys conducted in this study represent opinions in 1973. It can be argued that shopping habits and preferences may have changed significantly as a result of increased labour force participation among women, trends toward increased appreciation of 'naturalness' and a 'back-to-the-earth' and environmental consciousness, changes in male-female roles, and high in-migration into Edmonton.

In 1974 the Nutrition and Food Marketing Section of Alberta Agriculture undertook a study of food shopping habits in Edmonton and Calgary.[1] The objective of this study was to determine how, when, and why consumers shop for food. Information on food shopping in general was collected;

---

[1] *McFadyen, Consumer Food Shopping Habits.*

farmers' markets were not specifically studied. The methodology involved personal, in-home surveys of 400 households. The most important results of this survey are highlighted below.

1) Over half of the respondents shopped for food once per week and about one quarter shopped once every two weeks. Food shopping was more than twice as likely to occur in mornings or afternoons compared with evenings, and it was most frequently done on a Thursday, Friday, or Saturday.
2) The reasons for shopping at these times were: convenience, habit, availability of money, less crowded conditions, and the availability of specials.
3) Shopping most frequently occurred at a store within walking distance or within a mile of home.
4) Most common mode of transportation to purchase food was automobile, followed by walking.
5) About 98% of the time, food shopping was done alone.
6) Newspaper advertisements and flyers were the primary vehicles for obtaining price information and planning purchases.
7) When asked whether they enjoyed food shopping, half the respondents replied they did and half replied they did not. The most common reasons for liking shopping were the entertainment value, the adventure associated with eating and new products, and the challenge associated with obtaining good food for reasonable prices. Reasons cited for disliking shopping were the routine and necessary nature, high prices, and crowds.

In 1978 a study of consumer use, stallholder practices, and market management of farmers' markets in Alberta was completed in a thesis for the Faculty of Home Economics[1] at the University of Alberta. The purpose of this study was to discover why the response to farmers' markets has been so positive in Alberta, with particular focus on the consumer frequenting the market. The data were acquired from a systematic survey of users, sampling every fifth customer. Interviewers were posed in Morinville, Vegreville, Ponoka, Red Deer, Alberta Beach, Bon Accord, and Edmonton.

---

[1] *Westervelt, Farmers' Markets - Retail Practices and Consumer Opinions.*

Customers of the farmers' market were queried regarding their usage and their demographic characteristics. The major observations are summarized below.

1) Most users were women, with a concentration between the ages of 25 and 35. Most respondents had graduated from high school, one third were housewives, and one fifth were professionally employed. Because the demographic data collected are not directly comparable to Statistics Canada or other census data, an evaluation of the differences between farmers' market users and the general population cannot be made. It appears that no particular market segment has a higher propensity to use the farmers' market.

2) More than two thirds of respondents lived within four miles of the farmers' market, about 15% lived five to nine miles from the market, and about 9% lived 20 or more miles from the market. About 75% of respondents made four or more trips to the market annually. Most of these made between four and twelve trips annually.

3) About 70% of respondents purchased 10% or less of their total grocery purchases at the market.

4) Almost 70% of market patrons shopped with family or friends.

5) Respondents liked the market for the following reasons: fresh products, variety of products, price, the atmosphere, and social aspects.

6) Market dislikes were crowdedness, location, parking, hours of operation, and limited supply of goods.

7) The greater the distance travelled, the poorer the opinions of the market and its produce. The greater the number of return visits, the more positive were the user's opinions.

8) Older shoppers had more positive opinions regarding the farmers' market than did younger patrons.

The recommendations arising from the Westervelt study[1] on consumer usage of farmers' markets were specified as follows:

1) Most market users reside within four miles of the market. When establishing a new farmers' market, the population residing within this radius should be sufficient to support a market.

2) Freshness of produce is the primary reason patrons frequent a market. Quality control should ensure people obtain this.

3) Increased promotion and advertising is required to attract new, casual users and increase the frequency of visitation of existing casual users.

4) Patrons typically do a small proportion of their food shopping at farmers' market and additional effort is expended to go to the farmers' market. In light of this additional effort is required and to encourage this effort, prices should be competitive with supermarket prices and those things people dislike about the market should be minimized.

This consumer survey of users ignores the attitudes and awareness of non-users regarding the market and makes generalizations about potential demand difficult. The appropriateness of using aggregated results from surveys conducted in other centres to describe the Edmonton farmers' market can be questioned because of differences in population size, travelling distances, parking constraints, and the geographic distribution of different socio-economic groups in the city and its suburbs.

---

[1] *Westervelt, Farmers' Markets - Retail Practices and Consumer Opinions.*

1.2 Producer Demand

A literature search for information pertaining to producers employing a farmers' market in Alberta to market their goods yielded but one relevant article: the above noted thesis for the Faculty of Home Economics.[1] One of the objectives of this thesis was to collect descriptive information on stallholders. At markets in Morinville, Vegreville, Ponoka, Red Deer, Alberta Beach, Bon Accord, Stony Plain, Camrose, Leduc, Wetaskiwin, and Edmonton, stallholders were requested to complete a mailout survey. Responding stallholders provided the following comments and opinions.

1) Beets, cabbages, carrots, cauliflower, and potatoes were the most commonly supplied goods.

2) About 85% of producers used seven or fewer acres for the production of their vegetables for sale at the farmers' market. Almost two thirds of these producers worked three acres or fewer for the production of vegetables.

3) Over 73% of the stallholders grew their own produce, while the remainder complemented their stocks from other sources.

4) The production and sale of produce for the farmers' market tended to be a family activity.

5) More than half the stallholders lived within a 14-mile radius of the farmers' market, but most indicated a willingness to travel longer distances to sell at a market.

6) Fewer than 9 hours per week were spent marketing produce and the majority of stallholders used the market only once per week or less.

7) Little knowledge of production and marketing costs was exhibited, therefore a lot of confusion existed about fair and reasonable prices.

---

[1] *Westervelt, Farmers' Markets - Retail Practices and Consumer Opinions.*

8) Quantity supplied was a function of available produce and expected sales. Excess produce was personally consumed or processed by the stallholders.

9) Stallholders used farmers' markets because of their convenience for marketing. Profit considerations and social aspects of the market were, to a lesser extent, also reasons for using farmers' markets.

2.0 FUTURE TRENDS IN FOOD PRODUCTION AND DISTRIBUTION

2.1 Current Situation for Vegetable Crops

Consumption of fresh vegetables has been rising in Alberta during recent years. In 1974, total unloads of six selected vegetables[1] were 47.8 lb. per capita and in 1977 this figure rose to 55.7 lb. per capita. A large proportion of the fresh vegetables consumed in Alberta are imported from outside the province. Only 1.8 lb. per capita or 3.8% of total unloads for the same six vegetables for 1975 were produced in Alberta for 1977, 1.94 lb. per capita or 3.5% of the total was locally grown. Table 2.1 shows total per capita imports of all fresh vegetables for 1972-1977. Total per capita imports increased significantly over the period from 75.53 pounds in 1972 to 104.9 pounds in 1977. The strongest growth is in the 'salad vegetables' such as celery, cucumbers, and lettuce. Other vegetables showing large per capita increases in imports are: broccoli, carrots, cauliflower, spinach, and potatoes. Vegetables displaying a decline in per capita import levels over the 1972-1977 period are cabbage and radishes.

Alberta is now supplying a significant proportion of only a small number of vegetable crops. Table 2.2 shows significant local production of cabbage, carrots, corn, cucumbers, mushrooms, parsnips, and potatoes. Self-sufficiency in crops grown in Alberta ranges from a low of 1% in cauliflower to 95% for mushrooms. It is obvious from Table 2.2 that the overwhelming source of locally-consumed produce is California. Over 80% of provincial unloads come from California for 8 of the 20 vegetable crops listed. Except for mushrooms, some proportion of every vegetable crop listed is imported from California. Mexico also exports substantial amounts of produce to Alberta, particularly beans, cucumbers, peppers, radishes, and tomatoes.

---

[1] *The six vegetables are carrots, celery, corn, cucumbers, lettuce and tomatoes.*

TABLE 2.1

Per Capita Imports of Fresh Vegetables, Alberta 1972-1977

	1972	1973	1974	1975	1976	1977
			(lb)			
Artichokes	.023	.023	.024	.025	.049	.054
Asparagus	.061	.092	.091	.107	.400	.090
Beans	.160	.148	.128	.132	.236	.173
Broccoli	.877	.987	1.151	1.547	2.012	2.236
Brussel Sprouts	.189	.222	.272	.225	.358	.224
Cabbage	5.075	4.52	4.874	5.019	5.707	4.711
Carrots	2.178	2.569	2.062	2.837	2.956	3.534
Cauliflower	1.499	1.224	1.237	1.561	1.999	2.232
Celery	6.345	6.690	7.120	7.760	9.081	8.124
Corn	1.587	1.590	1.506	1.444	2.020	2.045
Cucumbers	2.293	2.561	2.724	2.353	3.794	3.846
Lettuce	17.299	17.113	20.288	24.177	25.739	23.83
Onions	5.936	5.940	6.58	7.396	8.880	6.296
Parsnips	.135	.171	.230	.268	.224	.180
Peas	.031	.039	.051	.068	.067	.071
Peppers	1.203	1.302	1.587	1.806	2.227	2.276
Potatoes	13.913	10.505	12.398	14.555	19.301	25.025
Radishes	1.469	1.360	1.717	1.232	1.178	.968
Spinach	.154	.183	.223	.283	.387	.364
Tomatoes	13.494	15.688	14.597	14.650	15.177	14.689
Others	1.588	1.82	2.029	2.737	3.954	3.933
Totals	75.53	74.75	80.93	90.18	105.75	104.9

Source: Annual Unload Report, Fresh Fruits and Vegetables, various years.

TABLE 2.2

Annual Unloads of Fresh Vegetables By Origin 1979

(Percent)

	Alberta	Other Prov.	Calif.	Mexico	Other States & Countries	Total
Artichokes			100			100
Asparagus			89		11	100
Beans			43	57		100
Broccoli		1	98		1	100
Brussel Sprouts		12	81	7		100
Cabbage	30	9	43		18	100
Carrots	33	23	42		2	100
Cauliflower	1	8	89		2	100
Celery		3	97			100
Corn	19	11	19		51	100
Cucumbers	21	3	17	39	20	100
Lettuce		5	91		4	100
Onions		27	16	6	51	100
Parsnips	79	5	16			100
Peppers			36	34	30	100
Potatoes	63	12	18		7	100
Radishes			34	19	47	100
Spinach			100			100
Tomatoes		1	31	28	40	100

Source: Annual Unload Report, Fresh Fruits and Vegetables, 1979.

Due largely to climatic factors, vegetable production in Alberta is limited. Monthly data are shown in Table 2.3 for unloads of locally-grown vegetables. Seasonality characterizes the local horticultural industry, which appears to largely supplement year-round unloads of imported vegetables, shown in Table 2.4. Year-round supplies are produced locally only for mushrooms and potatoes; of these vegetables local supplies constitute 63% of total annual unloads in 1979 (see Table 2.2). Despite its seasonal limitations, Alberta is capable of supporting crops of almost all but the most exotic vegetables. Table 2.5 shows unloads of major vegetables classified according to origin and harvest season for each crop. Great potential for displacing imports with locally grown produce could exist. Only 26% of total on-season unloads were actually grown provincially. Though other unfavourable factors likely exist, there is not a shortage of market demand for locally produced vegetables.

Table 2.5 also shows tariff rates for the vegetables listed. A new tariff schedule came into effect October 1, 1979. This schedule attempted to further increase protection of domestically producible vegetables while at the same time reducing restrictions on the more exotic crops. This was done by raising duty rates at certain times of the year (during local harvest season) while reducing rates during other periods. For some crops, such as greenhouse grown tomatoes, higher rates will be in effect earlier in the year as well as during the harvest season to encourage the multiple-cropping advantage of greenhouses. Tariff rates apply to the pound (ranging from 1¢ to 5¢ for those vegetables listed) or to the value of shipments (from 5% to 15%), whichever is larger. Table 2.5 also indicates the number of weeks during the year that the tariff rate is in effect, varying from 8 weeks for asparagus to 46 weeks for onions. In the past, there has been dumping of excess produce by American producers onto Canadian markets, sometimes at prices lower than domestic costs of production. The new tariff rates should help to alleviate this problem for domestic producers.

TABLE 2.3

Unloads of Locally Grown Produce, By Month (1979)

('000 lb)

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Artichokes												
Asparagus												
Beans												
Broccoli												
Brussel Sprouts												
Cabbage	43							364	452	701	568	323
Carrots	717	86						12	261	464	481	436
Cauliflower									26			
Celery												
Corn								148	276			
Cucumbers		4	62	148	220	208	101	169	131	107		
Lettuce												
Mushrooms	87	66	79	70	97	80	67	78	64	80	90	83
Onions												
Parsnips	83	22	28	1					18	31	21	20
Peppers												
Potatoes	3311	3036	2542	3184	4155	1672	708	2922	2296	3435	2119	2922
Radishes												
Spinach												
Tomatoes										1	7	

Source: Ibid.

TABLE 2.4

Unloads of Imported Produce, By Month (1979)
('000 lb)

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Artichokes	3	3	4	5	8	3	4	4	4	6	4	4
Asparagus		1	19	11	30	18				1		
Beans	18	16	18	13	16	10	9	13	8	14	11	12
Broccoli	248	189	285	170	281	190	161	246	122	255	235	311
Brussel Sprouts	22	20	19	25					9	50	19	86
Cabbage	637	660	662	627	1044	626	598	253	30	29	64	402
Carrots	246	585	719	721	868	582	508	476	68	50	26	29
Cauliflower	226	149	237	212	162	175	98	254	124	230	165	206
Celery	910	782	842	790	987	591	540	688	559	718	569	800
Corn		2	35	105	409	356	283	490	31	21	13	34
Cucumbers	584	338	561	301	480	256	372	323	153	238	278	358
Lettuce	2546	1339	1916	1882	2590	1953	1492	1555	1377	2035	1615	2154
Mushrooms	8	10	4	5	5	4	3	5	3	3	4	
Onions	1710	1232	1159	1148	1802	1440	867	1542	1281	1456	861	1117
Parsnips	1	3	5	13	21	7	2	7	2			
Peppers	287	165	237	154	245	182	203	382	252	321	216	179
Potatoes	459	389	947	834	2308	4445	3680	3076	842	672	402	984
Radishes	68	79	130	114	163	111	96	110	59	88	85	131
Spinach	12	7	14	12	19	14	10	13	9	14	16	14
Tomatoes	1455	1068	1315	1240	1738	1098	1348	1674	1104	999	962	1140

Source: Ibid.

TABLE 2.5

Unloads of Vegetables in 1979
('000 lb)

	Harvesting Season					Off Season	
	From Alberta	U.S. & Others	Tariff Rate	(Wks)	Sub Total	All Sources	Total
			(¢ per lb/% of Value)				
Asparagus	0	18	5 1/2/15	(8)	18	62	80
Beans	0	21	2/10	(14)	21	137	158
Beets	11	53	1/10	(34)	64	35	99
Cabbage	2451	1415	1 1/4/15	(34)	3866	4217	8083
Broccoli	0	784	2 1/4/15	(16)	784	1909	2693
Carrots	2457	1480	1/5	(40)	3937	3398	7335
Cauliflower	26	608	1/5	(10)	634	1656	2264
Brussel Sprouts	0	25	3/12 1/2	(20)	25	335	250
Celery	0	810	2/15	(18)	810	7966	8776
Corn (Sweet)	424	521	1 1/2/15	(12)	945	1258	2203
Cucumbers	1118	1885	2 1/4/15	(30)	3003	2389	5392
Lettuce	0	4047	1 1/4/15	(16)	4047	17687	21734
Onions (Cooking)	0	2823	1 1/2/15	(46)	2823	12801	15624
Radishes	0	376	1/10	(26)	376	858	1234
Tomatoes	0	2778	3 1/2/15	(32)	2778	12363	15141
Peppers	0	635	2/10	(12)	635	2188	2823
Total	6487	18279			24766	69610	94376
% of harvesting season	26%	74%			100%		

Source: Ibid.

Transportation rates on imported vegetables have risen significantly in recent years, especially for rail transport; thus there has been a steady shift to the increased use of trucks. It is estimated that in 1979 it cost approximately 5¢ per pound to transport fresh vegetables to Edmonton from Los Angeles.[1] When the range of tariff duties from 1¢ to 5 1/2¢ per pound is also considered, Alberta grown vegetables would seem to have had a cost advantage of from 6¢ to 10 1/2¢ per pound in 1979.

Taking carrots as an example, the average price paid to growers in California for the spring crop was about 9¢ per pound (Canadian Dollar).[2] Add to this a transport charge of 5¢ per pound and a tariff charge of 1¢ per pound (See Table 2.5) to get an Edmonton gate price of 15¢ per pound. This is verified by an Alberta Agriculture estimate for wholesale cost[3] valued at $7.20 for a box of 24 two-pound packages, which gives a price to farmers of 15¢ per pound. For imported carrots, the price to farmers accounts for 60% of the Edmonton gate price, transportation is 33%, and tariff represents 7%. Thus costs of locally grown commercial carrots could be as much as two thirds higher (15¢ versus 9¢ per pound) and still remain competitive. In fact, the average price received by Alberta farmers for carrots in 1978-79 was 13¢ per pound. Despite this cost advantage, 38% of harvest season unloads were imported (See Table 2.5).

Hired labour costs likely comprise up to one third of production costs. The advantage of lower wages in the U.S. has been overcome somewhat locally by hiring itinerant Mexican labour for the harvest season.

Local growers may have an advantage in terms of energy costs with the stated policy of the Canadian Government to maintain a spread between Canadian and U.S. prices. The energy proportion of the cost of imported tomatoes, for example, was only 1.5¢ per pound or 4.4% of the Edmonton gate price of about 26¢ per pound (1979 figures); .6% was for energy used in production and 3.8% was for transportation energy costs.

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[1] *Chaudhary, Handling and Transportation of Flowers, Fruit and Vegetables in Alberta.*

[2] *Using an exchange rate of $.87 (U.S.).*

[3] *Chaudhary, op.cit.*

These figures are calculated with an oil price of $25.00 per barrel. If this price was to rise to $40.00 the transportation cost of imported vegetables would rise by approximately 12%. Clearly, advantageous energy costs in production and transport for local growers will not have a substantial impact on competitiveness.

Despite the advantages of no transport costs, no tariffs, and lower energy costs, local growers have been plagued by low returns. A number of factors are responsible for this. The marketing system for domestic produce is relatively disorganized. In general, farm operations are not large enough for the required investment to sell to wholesalers. In addition, there is a lack of quality standards for local produce. As a result, inconsistent produce quality has led to a poor response from consumers concerning Alberta grown produce. Consistently good quality requires substantial capital investment in grading, packaging, and particularly storage facilities. Since producer operations are small there is a limited availability of credit since financial institutions view vegetable growing as a high risk venture. What ensues is a self-perpetuating situation where wholesalers will not buy locally unless a consistent quality and quantity of produce is available. This requires large capital-intensive grower operations which farmers are unable to establish due to a limited availability of credit to make these investments.

Increased consumer awareness of local produce coupled with tighter quality standards and enhanced provision of funds on the part of the government could go a long way toward enhancing the future of the provincial commercial horticulture industry.

One additional point can be made. Though arguments can be presented for increasing local production of vegetable crops, this would entail transferring land from one use, likely grain growing, to another. Aside from any traditional factors inhibiting this transfer in use, vegetable growing may not necessarily be the highest value use of the land. If so, we are perhaps better off to remain importing vegetables and exporting grain.

2.2 Current Situation for Market Gardening

Produce farmers who find size and capital restricting factors in selling to wholesalers have the alternative of market gardening--selling horticultural produce directly to consumers. The inhibiting effect of investment costs for commercial produce can be illustrated by comparison of the value of capital (land, buildings, and machinery) on market garden operations with the census statistics for all vegetable growers in Alberta. For a sample of market garden operations in the 20+ acre category, averaging 35 acres per operation, the initial investment required is $1100 per acre, in 1978 dollars.[1] The market value of capital (lower than initial or replacement value since depreciation is not included) for all vegetable growers in 1976 averaged $4467 per acre, almost four times as great.[2] Costs of market gardening for four different size groups are shown in Table 2.6. As can be expected, costs per acre decrease as farm size increases, varying from $2704.75 per acre in the 1-3 acre size group to $988.47 per acre for farms 20 acres and bigger. Labour, including return to management, makes up just over half of the per-acre annual cost.

Alberta Agriculture lists 27 market gardening operations in the Edmonton area. Produce is sold either at the farm gate, farmers' market, or people can pick-their-own. Of the 27 producers, 6 sell through all three types of outlets; 16 sell through two, primarily the farm gate or

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[1] *Alberta Horticultural Research Centre, Alberta Market Garden Cost of Production Study 1978-9.*

[2] *Statistics Canada, 1976 Census of Canada, Agriculture (Alberta), pp.31-3, 31-4.*

TABLE 2.6

Market Gardening Costs For Four Size Groups

	1-3 Acres	3-10 Acres	10-20 Acres	20+ Acres
	(Dollars per Acre)			
Labour	1961.12	1212.00	921.17	530.01
- Hired	30.84	191.75	368.16	307.57
- Management	1930.28	1020.25	553.01	222.44
Machinery	363.45	352.90	223.08	167.68
Material	133.65	150.18	121.06	87.31
Other Cash Costs[1]	54.71	69.09	40.57	32.34
Overhead[2]	191.82	182.04	175.46	171.13
Total Cost/Acre	2704.75	1966.21	1481.34	988.47

Source: Alberta Horticultural Research Centre, Alberta Market Garden Cost of Production Study 1978-9.

[1] *Includes advertising, phone and utilities.*

[2] *Includes irrigation permit and water, land taxes, interest on operating capital, and buildings and land overhead.*

farmers' market, and the remainder sell through one outlet. Major crops grown include cucumbers, cauliflower, peas, cabbage, corn, carrots, potatoes, tomatoes, beans, and lettuce.

The relative pros and cons of selling through the three marketing methods available to market gardeners are summarized below.

Pick-Your-Own: Costs of harvesting, including hiring of labour, are avoided. As well, consumers usually pick more thoroughly than hired labour and often purchase larger quantities than they would at other types of outlets. On the other hand, customers can injure plants and thus picking requires substantial supervision. Demand can be very fickle and requires a location easily accessible to urban centres.

Farm Gate: Transportation costs are minimized and grading and inspection regulations do not apply, but some investment in marketing facilities is required and location can be an important factor.

Farmers' Market: There is exposure to a greater clientele than on-farm marketing and less time is required directly selling. Marketing costs are pooled among growers and prices received are often substantially higher than those received wholesale. Transportation costs are now involved as well as rental fees. More extensive management is required. For example, the grower must assess demand before loading for the market.

The preferred choice of marketing technique depends on the relative costs and advantages to each market gardener.

2.3 Potential for Market Gardening

Expansion of market gardening in the future could occur in either of two ways: enhanced seasonal market gardening or off-season use of greenhouses.

Larger market gardening plots could be established to expand on the seasonal harvest through switching from grain to vegetables or from commercial growing to market gardening. The extent to which this occurs will depend on consumer awareness and demand, which appear to be increasing, and relative costs and returns between grain and vegetables as well as between commercial growing and market gardening. It should be added that a substantial incentive would be needed to induce grain farmers into vegetable production since a significant amount of tradition and institution is involved in the growing of grain.

The alternative to enhanced seasonal market gardening is off-season use of greenhouses. Greenhouse area in Alberta has increased slightly in recent years although production has been erratic. Investment and returns to management for a sample of 23 vegetable greenhouses are shown in Tables 2.7 and 2.8. Average produce yields in greenhouses are about four times larger than outdoor yields. Thus for equivalent production the required initial investment for a greenhouse is $42,144 while the per-acre initial investment for market gardening is $1100. Hired labour costs as a proportion of annual greenhouse operating costs (See Table 2.8) are only a fraction of those in market gardening. Clearly greenhouse production is substantially more capital-intensive than outdoor market gardening.

Despite any advantages that could be expected from lower labour costs, Table 2.8 indicates that the average greenhouse in Alberta showed a negative return to management of $2150.52 per greenhouse or $.11 per square foot in 1979-80.

One of the factors limiting expansion in the greenhouse vegetable industry has been the high energy intensity of production and the large increases in energy costs over the past decade. Figures for Canada indicate the fuel cost per dollar of sales from vegetable greenhouses increased from 11¢ in 1973 to 29¢ in 1977. It is estimated that growing

TABLE 2.7

Average Investment and Investment Costs for a Sample of 23 Greenhouses 1979-80

	Area (Sq.ft.)	Investment ($)	Interest ($)	Depreciation ($)	Interest & Depreciation Per sq.ft. ($)
Land	47,045	1,808.65	217.04	-	.01
Building	20,649	49,236.48	7,108.37	1,582.67	.42
Equipment	-	12,832.09	1,539.85	456.69	.10
Automotive	-	5,951.56	714.19	339.65	.05
Total	-	79,828.75	9,579.45	2,379.01	.58

Source: *G. Nabi Chaudhary,* *The Economics of Production and Marketing of Greenhouse Crops in Alberta*.

TABLE 2.8

Costs and Returns From a Sample of 23 Greenhouses, 1979-1980

Operating Costs	
Operator's Labour	$17,416.35
Material Inputs	2,156.27
Hired Labour	1,722.43
Greenhouse Fuel and Utilities	3,633.98
Marketing Costs	4,188.78
Repairs and Maintenance	3,875.00
Other	2,076.22
Total Operating Costs	35,069.53
Fixed Costs	
Land, Buildings, Equipment Interest	9,579.45
Depreciation	2,378.97
Taxes, Insurance, Registration Fees	3,012.00
Interest on Operating Capital	3,606.61
Total Fixed Costs	18,577.03
Total Production Costs	53,646.03
Total Production Cost/Square Foot[1]	2.60
Gross Revenue	51,496.04
Gross Revenue/Square Foot	2.49
Return to Management/Square Foot	(0.11)

Source: Ibid.

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[1] *Average size was 20.649 acres.*

a pound of tomatoes in a greenhouse requires approximately five times as much energy as trucking field-grown tomatoes from Mexico, and greenhouse cucumbers require about three times the energy.[1] If other factors remain the same, rising energy prices will increasingly place greenhouse produce at a cost disadvantage.

Changes in greenhouse technology should ameliorate to some extent the cost disadvantage of a higher energy intensity in greenhouses. One option presently being explored is the use of industrial waste heat. This could dramatically reduce heating costs and perhaps give a competitive edge to off-season greenhouse produce over imports from California. At present, Noval Technologies Ltd., a subsidiary of Nova Corp., is preparing to have two 2.4 acre greenhouses constructed adjacent to an ethylene plant east of Red Deer.[2] Plans are to produce about 500 tons of cucumbers and tomatoes annually. Implications of such complexes for market gardening will depend on whether produce is sold directly to consumers or through wholesalers. Indications are that the bulk of output will be marketed through wholesalers. Despite this, off-season vegetables grown in greenhouses could provide fresh local produce to a farmers' market during non-harvest periods and would likely fetch a premium price.

2 4 Implications for a City Market

Potential for the Edmonton city market in relation to the horticultural industry will depend on a number of factors.

The supply of produce will depend on the viability and success of the market gardening industry. Since many farmers growing commercial vegetables also engage in market gardening to some extent, the general health of horticulture will likely have some effect on the produce that is available directly to the consumer. The extent of market gardening that will take place will depend on the awareness and demand from consumers as well as the relative cost structure between various agricultural pursuits (grains vs. vegetables, commercial vs. market gardening). In turn market gardener interest in the city market will depend crucially on its appeal relative to pick-your-own or farm gate sales. Such factors as the number of people patronizing the market and prices received will have to be weighed against the time and trouble involved in harvesting, transporting, and selling produce at the market.

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[1] *R.C. Fluck and C.D. Baird, Agricultural Energetics, AVI Pub. Co., Westport, Conn., 1980.*

[2] *The Globe and Mail, "Surplus heat from Alberta Ethylene Plan to help grow million pounds of vegetables," Nov. 9, 1981.*

2.5 Implications for a Food Distribution Centre

The Alberta Producers and Fresh Vegetable Marketing Board has been examining the extent of interest and commitment on the part of producers to set up a food distribution centre as an alternative to bulk sales through wholesalers. A distribution centre would deal mostly in local produce and sell in bulk to consumers and small merchants. It could provide washing, packaging, and other services now unavailable to producers who are too small to sell to wholesalers yet wishing to sell in bulk.

A food distribution centre which would supplement the services available at a farmers' market, could be integrated into a central market facility or be tied to a seasonal market. The Fresh Vegetable Marketing Board has suggested that a location on the periphery of the city would be suitable.

It can be expected that such a centre would not be supported by wholesalers, however, the small producers who would use such a facility are likely not selling to wholesalers at present due to the reasons mentioned earlier in Section 2.1 (inconsistent supply small acreages, and limited grading and storage facilities).

A food distribution centre would encourage local production and has been a successful venture in Ontario, where such centres have been incorporated into a number of farmers' markets.

3.0 MARKETS IN OTHER CITIES

Market managers were asked a number of questions concerning location, atmosphere, and physical facilities of the market. As well, market operation information was also solicited. This included hours and days of operation, selection of vendors, promotions and special events, and financial data related to construction funding and net revenue from operation.

3.1 Kitchener Farmers' Market

The major function of the Kitchener Farmers' Market is to provide a marketing place for locally produced foodstuffs as well as some handicrafts. The emphasis is very much on local goods. The market is not intended to operate as a flea market nor as a source of exotic non-local produce or manufactured goods.

The Kitchener Market is located in the central core of the city and is housed in a new, multi-purpose structure completed in 1974. Besides serving as a market, the building also contains a shopping mall directly accessed from the market. The market itself covers two floors with a parkade located above it. There are facilities for both indoor and outdoor marketing. The indoor area has an upper and lower level, each with 254 four-foot-wide stalls. Outside marketing takes place in a lower level of the parkade directly accessible from the street. This level contains 86 nine-foot-wide stations which farmers can drive right into and sell directly off the back of their truck. There is an upper outdoor level which is less popular due to a lower ceiling and inaccessibility from the street. Indoor stalls have sturdy moveable tables which can be stored away; there are no permanent stalls. This allows the level inside to be rented out for banquet use. The lower level has a number of twelve-foot freezers for meat and cheese merchants. Large loading doors allow trucks to drive in and pull up to the stall for ease of unloading. There are storage facilities on both floors for stall tables and regular merchants' signs and promotional material.

About two thirds of the vendors are regular participants in the indoor market while the proportion for the outside market is about one half. In general, vendors are the producers themselves.

Products sold include cheese, goat meat, rabbit, chicken, sea and lake catches, Mennonite baked goods, fruits, and vegetables. As mentioned earlier, all foodstuffs are local. Citrus fruits, for example, are not allowed since these are not grown in Ontario. In addition to foodstuffs, about 25% of stall space goes to people selling crafts. There are also two refreshment vendors selling hot dogs and European deli-type food. As of the present, there is no stallholders association.

Prices are not regulated at the Kitchener Market but they tend to remain close to retail prices. Quality control is not standardized and there appears to be little necessity since most vendors take great pride in what they sell. The health department makes regular inspections though the market is kept very clean.

The market makes as best use as possible of free promotion opportunities on radio and television. Paid advertising such as brochures and newspaper ads are also used. The market makes use of a designed logo which is printed on T-shirts and handbags sold at the market. Promotional costs make up a large proportion of operating expenses.

The Kitchener Farmers' Market is open Wednesdays from 6:00 a.m. - 2:00 p.m. and Saturdays from 5:00 a.m. - 2:00 p.m. The busiest months are June, July, and August as well as the Christmas season and Octoberfest celebration. Saturday is the busiest day particularly from 8:00 - 11:00 a.m. The slowest period is Wednesdays from October to December.

3.2 Vancouver's Granville Island Public Market

Unlike the Kitchener Farmers' Market, Vancouver's Granville Market is part of a large redeveloped area of the city. Emphasis is on creating a more general market area inlcuding shops, artists facilities, and living accommodations. As such, the farmers' market portion of the development is less concerned with strictly local foodstuffs than with providing a wide range of goods year-round that are not available elsewhere including fresh and exotic produce. The Granville Market is less pure farmers' market and more of a public market open throughout the week.

The market is contained within five old warehouses, renovated in 1979 and covering 40,000 square feet. There are no provisions for outdoor vending. Inside the market there are 41 permanent stalls on lease and room for a number of moveable tables. Table vendors are generally regular although seasonal variations in harvests can vary local produce availability. For the most part, vendors are the farmers themselves. A merchants association exists but appears to be poorly organized.

There are some refrigeration facilities provided although for permanent stalls it is up to the tenant. Loading is done at existing docks and a forklift is used to move goods inside the building. Storage is the stallholder's responsibility, though with the market open six days a week and it being the only use of the building, storage problems would be less significant than for the Kitchener Market.

Products available at the market cover a wide range with raw food such as fish and other seafood, vegetables, fruit, and meats having priority. Exotic produce is allowed and when certain locally produced products are not available imports from California and Mexico are allowed in order to maintain the range of goods. Handicrafts are limited at present to less than ten stalls with an expressed intention of phasing them out altogether. Fast food concessions are also present.

There is no expressed pricing policy at the Granville Market nor is there any in-house regulation of quality though inspections are made by the Department of Consumer and Corporate Affairs. Quality is not a problem since merchants are actively sought out by the market authorities rather than allowing vendors in on a first-come basis.

Advertising is done largely through newspapers, magazines, radio, television, billboards, and various promotional activities. Despite the wide variety of mediums, promotion does not take a large proportion of operating expenses.

The Granville Island Public Market is open Tuesday through Sunday from 9:00 a.m. to 6:00 p.m. June and July are the businest months although seasonal variance is minimal. Sunday is the businest day and 12:00 - 3:30 p.m. are generally the busiest hours.

3.3 Seattle's Pike Place Market

Seattle's farmers' market, like those of Kitchener and Vancouver, is located downtown where--as always--parking is a problem. Again similar to Vancouver's market, Pike Place Market is part of a large restoration scheme which saw renovation of an historic section of Seattle. The market has been an important cultural institution in the area since 1907.

The farmers' market is contained in an old building which has been remodelled. Although no farmers sell outside, occasionally when it is full inside crafts are sold outdoors.

Each stall has a permanent table and refrigeration is provided for meat and fish vendors. Storage facilities consist of small storerooms that can be rented out. These are mostly used by crafts people.

Vendors renting day stalls, whether farmers or craftsmen, are checked and screened before being allowed to sell within the market. Most vendors are regular sellers although some farmers bring in their produce only on Saturdays. Farm goods are sold primarily by the farm families themselves while arts and crafts people have some hired sellers. Permanent stalls and shops outweigh temporary day stalls in terms of space.

The Seattle market has three quarters of its day stalls selling arts and crafts. Roughly 250 stalls sell crafts while about 60 are used by farmers. Exotic produce is not sold at day stalls though it is in the permanent shops. The same holds for crafts.

There are no pricing or quality standards though few problems are encountered. Prices are generally close to retail levels.

The market building also supports a number of restaurants and taverns. In addition, a Market Anniversary Festival takes place each year along with an Arts and Crafts Day and a Farmers' Day. These amenities and promotional activities help to draw people into the market.

Promotional activities consist largely of free advertising. Since the market is an established institution, widespread and costly advertising is not necessary. As a result, promotions take up a very small portion of operating expenses.

The Pike Place Market is open Monday through Saturday with Thursday to Saturday being the busiest days. For farmers the busiest season is summer while arts and crafts sellers enjoy the most business toward Christmas.

4.0 LOCATION ANALYSIS

To achieve maximum utilization, the Edmonton city market must meet the needs of all user groups. The location and physical design of the market, which must reflect these needs, can influence the viability of the market through their effect on market utilization.

The objectives of this section are:

1) to enumerate the criteria that should be used to select an Edmonton market site and the physical design criteria for the market
2) to describe a methodology for a comparative economic evaluation of alternative locations for a market.

Before alternative locations are compared, the locations must be individually examined to determine if they meet minimum site requirements. If it appears that these site requirements are met and the physical design criteria can be accommodated on the site, an economic location analysis should be carried out. Preferably the location analysis would be a comparative analysis rather than an analysis of one location in isolation as the former provides a more objective evaluation.

4.1 Physical Location Criteria

Location can be a major influence on the utilization of a city market. The main criteria on which the selection of a site for the Edmonton city market should be based are summarized below.

1) Location Convenient to User Groups

Consumer users of the market can be segmented into three groups: the household trade, business trade, and tourist trade. To capture a share of the household trade, the city market must be located in an area convenient to a significant portion of Edmonton households. The household and market patrons surveys illustrate that the location most preferred by householders is downtown and the next favoured is north

Edmonton. A downtown location is most advantageous to procuring the lunchhour business trade as the bulk of business activity is centered downtown.[1] This area of the city is also convenient to visitors to Edmonton as it is the nucleus for hotels, tourist attractions, and other city amenities.

An overwhelming preference for the downtown location for a city market was voiced by the present stallholders and the owners of the permanent shops. Producers not selling at the downtown market preferred downtown and the southside for the location of a new market.

All user groups thus prefer a downtown location, followed by a southside location and a north Edmonton location. Of course, attributes of the specific sites selected may require tradeoffs between the location and other site selection criteria.

2) Ease of Access

Good access to the city market is a must if it is to attract increasing patronage. The majority of patrons now frequenting the market travel there by private vehicle. Ease of access by car requires good road networks to the market and ease of entry and exit to parking at the site. Edmonton transit is the second most popular mode of transportation to the market and thus a location for the market should be close to major bus routes. Walking is the third most popular means of transportation to the market by householders, and convenient pedestrian access will be important to the lunchtime business trade and the tourist trade.

For the producer, ease of access must incorporate good road networks, ease of entry and exit to parking, and good accessibility for trucks.

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[1] *About 75% of Edmonton's office space is located downtown and about 60,000 workers commute into the downtown area daily.*

3) Sufficient Parking

The overwhelming complaint against the present Edmonton market by all user groups and potential user groups is inadequate parking. Given the predominance of private vehicles as a transportation source to the market, sufficient parking is requisite for a viable city market. A parkade should be of sufficient height to accommodate trucks on at least the first level.

4) Close to Other Shops and Amenities

Purchases at the market constitute a small proportion of a household's food expenditures. Nearby specialty shops and amenities will help induce households to make the extra effort to visit the Edmonton market. Survey results indicate almost half the market patrons frequent other businesses in the area and 60% of the businesses surveyed say they benefit from having the market in their vicinity. The city market can benefit from proximity to other shops and amenities and in turn these businesses will receive spin-off business from the market.

5) Integration with Development Plans for the Area

A potential site cannot be examined without consideration of the plans for the area. A city market should be compatible with plans for the vicinity as these plans can affect the physical, economic, and social functioning of the market.

6) Design Characteristics

The site for the city market must be adaptable to a number of facility design characteristics, especially if an existing structure is being considered. Special facilities required for the producers must include; adequate and sufficient loading bays, refrigeration, storage space, and washing and cleaning facilities for produce.

The size of the city market should be substantially increased from the present market size to accommodate the greater variety of goods desired by the consumer and the additional producers who would like to sell at the market. The new market will also require space for relaxation and socializing, such as an area selling snacks and fast foods.

4.2 Evaluation of Alternative Locations

Utilization by consumers of the city market will be related to its location because shopping trips are sensitive to the effects of distance. Studies have shown that preferences for one shopping area over another also seem to be a function of things such as attractiveness of the shopping centre, quality and variety of goods sold, reputation of the stores, and provision of personal amenities and amenity areas at the shopping centre.[1] The financial costs of developing a new structure, redeveloping an existing facility, or setting up the services to accommodate an outdoor market will vary from one location to another. Factors affecting variances in costs among locations include differences in land values and site servicing costs. Revenues from the market operation will be affected by location too as the rents charged will be related to the going rent for retail space in the vicinity. Market utilization will be affected by location and the utilization will affect the ability of the city market to generate revenue.

4.2.1 Methodology

A location analysis of the city market must consider both the non-quantifiable aspects and quantifiable benefits and costs associated with each of the alternative locations. It is recommended a location analysis of the market be done in the form of a cost effectiveness analysis. The effectiveness of each site in meeting the locational criteria is evaluated against the costs and revenues associated with each site. In an effectiveness analysis, the intangible characteristics associated with the various locations are presented in a matrix of ordinal values. The methodology, explained below, allows a consistent and reasonably objective evaluation of non-quantifiable benefits. When this is analyzed together with the quantifiable aspects, a total impact picture of the alternatives is presented.

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[1] *Yates and Garner, The North American City.*

The first step in analyzing the non-quantifiable aspects associated with alternative locations is to identify appropriate location evaluation criteria. This has been completed and the location criteria are presented in Section 4.1. The second step in the analysis is to determine the relative importance of each of these location criteria to obtain criteria weights. This is done through a modified Delphi process where a panel of experts are given a questionnaire listing each of the location criteria and asked to rate the importance of each without discussion with one another. The average rating for each criterion is calculated and told to the panel. They then discuss the criteria in terms of their personal ratings and the overall group ratings. The process is then repeated with the questionnaires given out again and the panel rating the criteria. After a few iterations a rating of the criteria can be agreed upon. The result of this process is a set of criteria weights. The third step involves the determination of an effectiveness matrix which relates the criteria to the location alternatives. The effectiveness matrix evaluates the effectiveness of each locational alternative with respect to each criterion and gives an indication of the relative standings of each alternative in meeting the criteria. An effectiveness rating is constructed as follows. The optimal locational alternative for the criterion being evaluated is assigned a value of one and the other locations are graded in terms of their effectiveness relative to this alternative. The fourth step of the analysis of non-quantifiables applies the criteria weights to the effectiveness rating to obtain a weighted effectiveness.

An example of this effectiveness rating can be shown by using two location alternatives: Location A and Location B. If Location A has 200 parking stalls and Location B has 150, the effectiveness rating of Location A for parking is 1.0 and the effectiveness rating on Location B is (150/200) 0.75. Assume that the panel of experts in the modified Delphi process assigned to parking a weight of 4.8 on a five-point rating scale. The weighted effectiveness of Location A for parking is 4.8 and Location B is (4.8 x 0.75) 3.6.

The financial implications of the different locations must also be analyzed. Cost estimates are required for:

- the capital cost of constructing or redeveloping a market
- the capital costs for parking
- the capital costs for developing commercial space (it may be desired to incorporate commercial space into the facility to help defray the cost of the market.)
- land costs
- operation and maintenance costs.

Capital costs are amortized and total annual costs are calculated. Revenues from permanent shops and the temporary stalls, and commercial space if it is to be incorporated in the facility, are estimated and compared with costs to obtain a net position.

The location analysis requires a synthesis of the non-quantifiable results and the quantifiable results to obtain a picture of the overall impact from the alternative locations.

4.2.2 A Partial Application of the Technique

A detailed location analysis comparing alternative locations is not undertaken in this study as a result of the lack of potentially viable alternatives to the present site. The methodology above, however, is presented in the event that alternatives to the present location arise or to analyze alternative locations for a seasonal market.

A description of location criteria for the Edmonton market is presented in Section 4.1 above. These criteria were rated by a panel of seven people[1] through the modified Delphi process described above.

The questionnaires used a five-point rating with one being the least preferred and five being the most preferred. The questionnaires covered four areas: i) location, transportation, and access; ii) design characteristics; iii) geographic locations; and iv) products for sale at the market. Results are presented in Tables 4.1 to 4.4. The top three locational criteria are as follows: close to other shops and amenities, adequate parking reserved for market patrons, and integration with development plans for the area. The most important design characteristics are: a new building designed specifically for a city market, an aesthetically pleasing environment, a permanent ongoing character in terms of more permanent shops and atmosphere, and a spacious and functional facility. The panel preferred one main market location and several alternative seasonal locations. The highest-rated goods for sale are produce; plants and flowers; meat, fish, and chicken; and a variety of fast-food/snacks.

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[1] *Panel included personnel from Edmonton Real Estate and Housing Department, Edmonton Planning Department, and HLA Consultants.*

TABLE 4.1

Ratings for Location Transportation, and Access Criteria

Criteria	Rating
Close to downtown for access to the business trade	4.3
Close to residential area for access to households	1.5
Downtown area for access to tourists	4.3
Good car access	4.0
Close to major bus routes	4.3
Adequate parking for the market	4.7
Close to other shops and amenities	5.0
Central location to equate travel time from all areas of the city	3.8
Integration with development plans for the area	4.7
Minimizing site servicing costs	1.8
Historical inertia related to present site	4.4

TABLE 4.2

Ratings for Design Characteristics

Characteristics	Rating
Use of existing buildings with minor modification	1.2
New building designed for a city market	5.0
Blend in with the character of the area	4.7
Be able to act as a good distribution centre	1.8
Use only city-owned land or buildings	3.3
Have an aesthetically pleasing environment	5.0
Have modern facilities in loading docks and refrigeration	3.7
Modern with use of natural materials (wood, stove)	4.0
Have a rustic character (old, countrified)	2.3
A contemporary modern character (new, clean, polished)	1.7
A permanent ongoing character in terms of more permanent shops and atmosphere	5.0
Spacious and functional	5.0
Window space	4.8
Capacity to handle tailgate sales	4.0

TABLE 4.3

Ratings of Geographic Locations

	Rating
One location only in city	4.3
One location on each of north and south side	1.3
One main location and several alternative seasonal locations	4.8
Two main locations, one on each of north and south side and several alternative seasonal locations	1.5

TABLE 4.4

Ratings of Products for Sale

Product	Rating
Produce	5.0
Fruits	4.2
Plants and flowers	5.0
Produce, imported out of season	4.2
Meat, fish, chicken	5.0
Home preserves and baking	4.2
Custom jewellery	1.2
Clothing (non-typical)	3.2
Handicrafts	4.2
Art	4.0
Variety of fast-food/snacks	5.0
Ethnic shops	4.4
Novelty shops	2.2
Gift shops	2.4
Music shop	4.2
Newsstand	3.8

5.0 REGULATORY EFFECTS

There are three sets of regulations governing the activities of the Edmonton city market: a municipal bylaw, first enacted in 1917, with subsequent amendments; regulations of the Alberta Provincial Board of Health; and Farmers' Market Guidelines set out by Alberta Agriculture.

Municipal Bylaw No. 13, termed "A Bylaw to Regulate the Markets," established the locations of a northside and southside market and a central market downtown. The power to "make rules and regulations" concerning the management of the market and "the order and good conduct of all persons attending or frequenting the same" was invested in the City Commissioners. They were also given responsibility to set rents and determine the form of leases. In addition, products that could be offered for sale were outlined in the following passage:

> "The said markets shall be used for the sale of coal, wood, livestock, meat, fish, poultry, butter, eggs, vegetables, grain, roots, hay, straw and other fodder and also other garden and farm products."

Amendments to this bylaw were added in 1919 (No.5), 1921 (No.'s 14, 36, 42), 1922 (No. 28), and 1946 (No. 1,094). Most of the amendments deal with changes in operating hours and rents charged. The datedness of the bylaw makes it of questionable relevance today although it is understood that a new bylaw is under preparation and awaiting the completion of the city market analysis.

A number of provincial health regulations under the jurisdiction of the Provincial Board of Health apply to the operation of a farmers' market. The applicable regulations are classified into divisions as follows:

- Division 3, "Regulations Respecting Restaurants"
- Division 4, "Regulations Respecting Food and Drink"
- Division 7, "Regulations Governing the Manufacture and Sale of Cheese"
- Division 9, "Regulations Respecting Fluid Milk."

Operation of any restaurant or snack/fast-food shops in a farmers' market would be subject to the Division 3 regulations. These regulations cover areas such as permits, building construction, provision of washroom facilities, and cleansing, maintenance, and storage of food, equipment, and utensils.

Division 4 regulations are perhaps the most pertinent to the operation of a farmers' market, dealing with areas such as permits, handling and protection of food, maintenance of equipment, cleanliness, and the provision of washing facilities.

Divisions 7 and 9, governing cheese and fluid milk respectively, are essentially supplemental to the Division 4 regulations. These deal with specific requirements concerning the pasteurization, storage, and sale of milk products.

Of particular relevance are the regulations governing temperature control. These requirements quoted from the Division 4 publication, are as follows:

> 4-10-1(1) All perishable foods shall be handled in a manner designed to overcome the possibility of them being a vehicle for the transmission of disease.
>
> 4-10-1(2) Notwithstanding the provisions of these regulations whole shell hen's eggs may be kept at a temperature not exceeding 13 degrees Celsius.
>
> 4-10-2(1) Except when being prepared all foods referred to in Section 4-10-1 shall be kept at a temperature:
>
> a) not exceeding 5 degrees Celsius, or
>
> b) not less than 60 degrees Celsius.

The third set of regulations referred to are guidelines and as such are not enforceable by law. Alberta Agriculture has established a set of "Farmers' Market Guidelines," the pursuance of which may be related to funding available to markets through the "Farmers' Market Grant Program." The aims of the guidelines are fourfold:

1) To provide producers with a direct market.
2) To encourage small farmers and acreage holders.
3) To encourage more local production, particularly of commodities such as vegetables of which Alberta is seriously under-supplied.
4) To provide the consumer with another source of fresh quality produce.

The guidelines themselves are:

1) The stallholders should be producers.
2) The markets should feature only quality products.
3) Pricing is the prerogative of the producer.
4) Compliance with local, provincial, and federal health regulations and other necessary regulations.
5) Cleanliness in the farmers' markets.
6) The market should be honestly operated.

It should again be emphasized that these are merely guidelines and may be of less relevance to a large public market operated on a daily basis year-round. Although no specific bylaw regulation restricts the reselling of produce it has been discouraged up till the present.

POOR

QUALITY

ORIGINAL